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RETURN.

East India (Factory Act).

Ordered, by The House of Commons, *to be Printed*,
16 *April* 1889.

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BOMBAY BRANCH
OF THE
Royal Asiatic Society.
CLASS

EAST INDIA (FACTORY ACT).

RETURN to an Address of the Honourable The House of Commons, dated 21 May 1889;—*for*,

"COPY of further CORRESPONDENCE relating to the Amendment of the INDIAN FACTORY ACT of 1881 (in continuation of Parliamentary Paper, No. 124, of Session 1889)."

India Office,
22 May 1889.

J. A. GODLEY,
Under Secretary of State.

108692

(*Mr. James Maclean.*)

00108692

Ordered, by The House of Commons, *to be Printed*,
23 *May* 1889.

LONDON:
PRINTED BY HENRY HANSARD AND SON;
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Published by EYRE and SPOTTISWOODE, East Harding-street, London, E.C.,
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COPY of further CORRESPONDENCE relating to the Amendment of the INDIAN FACTORY ACT of 1881.

(No. 7 of 1889.)

GOVERNMENT OF INDIA.—HOME DEPARTMENT.

JUDICIAL.

To the Right Honourable Viscount *Cross*, G.C.B., Her Majesty's Secretary of State for *India*.

My Lord, Calcutta, 5 March 1889.

IN continuation of our Judicial Despatch, No. 28, dated 27th November 1888, we have the honour to forward the further reports* entered in the annexed list, relative to the working of the Indian Factories Act of 1881, and to convey to your Lordship our views as to the points in which that Act requires amendment.

2. In your Despatch, No. 30 (Statistics and Commerce), dated 3rd May 1888, your Lordship desired to be furnished with a report as to the working of the Factory Act of 1881, with particular reference to the success of the plan of placing the duty of inspecting factories in the hands of magistrates or of Government engineers, and inquired whether it was proposed to amend the Act in the direction of additional stringency. You requested that a statement, to show as far as practicable the accidents that have been reported to or investigated by the inspectors since the Act became law, should be forwarded to you, and asked for information as to the four shortcomings which, in a Memorandum printed at pages 112 to 123 of the Report of the Chief Inspector of Factories (England) for 1886-87, Mr. Jones, late Inspector of Factories under the Bombay Government, alleged to exist in regard to Indian factories, viz., (1) the long hours of work and the few holidays in the Bombay factories; (2) the occasional withholding of wages from hands; (3) the incompetency of mill-managers, the dangerous character of many mills, and the inadequate fencing of machinery; and (4) the ill-ventilated and filthy state of many workrooms. In your subsequent Despatch, No. 45 (Statistics and Commerce), dated 26th July last, your Lordship forwarded copies of questions asked in the House of Commons by Mr. Samuel Smith and Mr. James Maclean, who called attention to the hours of labour in Indian factories and the absence of any provision in the Indian Factory Act rendering a certain number of holidays compulsory, and who inquired whether your Lordship would consider the expediency of recommending our Government to apply the English Factory Acts to this country. In connection with these questions you directed our special consideration to the following points, (1) whether it is expedient to legislate for the restriction of the hours of labour in the case of adult women [illegible] children; and (2) whether the closing of factories on one day in seven should be insisted on.

3. Before replying in detail to the points upon which your Lordship has asked for our opinion, we desire to give expression to our view that the English Factory Acts are inapplicable to the present conditions of labour in Indian factories. It is a well-attested fact that the employés in Indian factories reach a standard of comfort and content which is not attained by persons in their own rank of life who are engaged in pursuits of a different nature. Machinery, moreover, is, owing to the comparative absence of competition, driven in the factories in India at a pace so slow that it would not be tolerated in England, and it is estimated that in many of the mills in India about twice as many operatives [illegible]

* Printed in Parliamentary Paper, No. [illegible]

employed as would be employed in mills of the same capacity in England. It follows that the work of the operative in an Indian factory is far more desultory and less exhausting than that of an operative working in England, and that provisions which are rendered necessary by the exacting nature of the labour in English mills are not demanded in the interest of the Indian operatives, who would indeed be prejudicially affected by them, while they would impose a needless and uncalled-for obstacle to the development of the industries of India.

4. With these premises we proceed to consider in detail the points upon which your Lordship has asked for our views. The extent of the operation of Act XV. of 1881 is defined in Section 2 of the Act, and Sub-section (b) of that Section limits the operation of the Act to factories wherein not less than 100 persons are on any day simultaneously employed in any manual labour in, or incidental to, the manufacture conducted in the factory. The Governments of Madras and Bombay are in favour of making the Act apply to factories in which a smaller number of operatives than 100 are employed, and we consider that the section should be so amended as to bring within the operation of the Act any factory in which not less than 20 hands are employed. We are at the same time of opinion that power should be reserved to the Local Governments, with the previous sanction of the Governor General in Council, to exempt any Government factory, as for example a factory for making munitions of war, partially or entirely, from the operation of the Act.

5. The opinion of all the Local Governments and Administrations is favourable to the maintenance of the system under which the work of inspecting factories is ordinarily undertaken by the magistrate of the district. Since the Factory Act of 1881 came into force, the appointment of a special inspector under Section 3 of that Act has been made only in Bombay, and the reasons for the decision of the Bombay Government not to appoint a successor to Mr. Jones on his resigning this appointment were communicated to your Lordship in that Government's Despatch, No. 14, dated 14th October 1887. The subsequent experience of the Bombay Government is that the system under which factories in Bombay itself are inspected by a covenanted assistant collector has met all requirements; and it concurs with other Local Governments in considering inspection by the magistrates in places beyond the Presidency town to be efficient. We are of opinion that, in the present condition of factories in India, inspection by the magistrates meets all the requirements of the case. The number of factories is at present small, and their positions are so scattered that the area of the work of a special inspector, whose whole time would be occupied in the work of inspection, would ordinarily be so extensive as to preclude him from making frequent visits of inspection. Moreover, his approach on inspection work would invariably be known beforehand, whereas the magistrate is always on the spot and is able to make his inspections when he pleases. The absence of technical knowledge can be usually supplied by the temporary appointment, under Section 4 of the Act, of experienced assistants such as the mechanical engineers attached to the railways. We consider, therefore, that the inspection of factories should continue to be ordinarily performed by magistrates, but we have drawn the attention of Local Governments to the need for seeing that inspections by these officers are regularly carried out at stated periods prescribed by rules issued under the Act, and that, where necessary, some competent mechanical engineer is associated with the magistrate in the work of inspection. Should the necessity for a special inspector for any local area be established, the Act of 1881 (Section 3) gives power to appoint one, and we have no doubt that this power will be exercised whenever local conditions render such a course desirable.

6. Under Section 6 of the Act XV. of 1881, the age below which a child, *i.e.*, a person under 12 years of age, cannot be employed in a factory in India is fixed at seven, and by Section 7 it is enacted that no child shall be employed for more than nine hours in a day, and without intervals aggregating at least an hour a day. The Factory Commission appointed by the Bombay Government in 1884-85 recommended that no child should be employed in a factory whose age was less than nine or (if it possessed certain educational qualifications) eight years. The Bombay Gov[illegible] [illegible] of the recommendation of the

the Bombay Factory Commission, but no other Local Government and Administration advocates increased stringency of the Act in this respect. We are of opinion that the age below which a child cannot be employed in a factory should be raised to nine years. We do not consider that it is necessary or desirable to make the exceptions recommended by the Bombay Factory Commission in favour of those children who have received a certain amount of education, nor do we think that the present statutory provisions limiting the employment of children to nine hours a day, with an interval of one hour, need alteration.

7. The law in England permits adult males to work overtime, but while the English Act limits the hours of work for adult females, the Indian Act imposes no limit to the number of hours in the day during which women may work, and it no doubt happens that women in Indian factories do often work longer than they are permitted to do in England. The Bombay Factory Commission recommended that the hours of work for adult females should be from 6 a.m. to 6 p.m., and that no woman should work more than 11 hours in the 24. This suggestion for limiting the hours of work for women to 11 in the day is approved by the Government of Bombay, and we consider that this limitation should now be generally adopted.

8. The Bombay Factory Commission recommended that the grant of holidays to male adult employés should not be made compulsory by law. Having regard to the difference in the conditions of labour in India and England, we approve of this recommendation. This difference consists in the number of Native festivals and holidays when workpeople absent themselves, and in the circumstance that, as the number of hands ordinarily employed is more than sufficient to work an Indian factory, each operative has only to absent himself whenever he wishes to take a holiday. Where mills are controlled and supervised by European agency, as in the Bengal Presidency is nearly always the case, the machinery is usually stopped on Sunday by mutual understanding between the employers and the operatives, and only such labour is carried on as requires no skilled supervision. But all mills are not controlled by Christians, and we are averse from making the observance of the Christian Sunday compulsory upon natives in this country. It is, we are informed, the fact that in Bombay a hand does not ordinarily work more than 300 days in the year, and further compulsory reduction in the number of days during which work should be carried on would act to the prejudice of the male adult operatives themselves. We think that similar considerations should apply to the case of women. It is true that the Bombay Factory Commission proposed that the law should insist on four days' holiday in each month for the women in factories, the holidays being fixed and notified by the Local Government in communication with the employers of labour. We think, however, that a limitation in the hours of daily labour will introduce into the Act all the improvement it requires in the interests of female operatives, and that, having regard to the conditions of native life, the somewhat desultory character of the labour performed by natives, and the numerous holidays of which women avail themselves, it is altogether unnecessary to insist on the provision of a minimum number of holidays as recommended by the Commission.

9. The habits and customs of the persons employed in the mills in India require to be considered in forming an estimate as to whether ventilation and similar requirements are properly secured in them, and the reports of Local Governments state that the factories are generally in a good sanitary condition. The Bombay Government, however, suggests the enforcement in mills, factories, and other places where large numbers of persons are employed, of reasonable sanitary rules, and one of the recommendations of the Bombay Factory Commission was that the law should be amended so as to include provisions requiring factories to be whitewashed every 14 months, and painted every seven years, and ensuring adequate ventilation by means of fans. It also advocated the preparation by a committee of standard plans for the construction of mills, and that any new mills should be erected in accordance with such plans. We do not think it desirable that the Act should contain provisions fixing the intervals at which whitewash and paint should be used, or requiring that

sanitary rules, and of requiring inspectors to enforce them, so as to secure the cleanliness and healthiness of the factories. The sanitary regulations for different factories require to be determined according to climate, situation, local habits, and similar conditions, and considerable discretion must be given to Local Governments in such matters. We shall require a draft of such rules to be published and taken into consideration after a specified date, together with any objections or suggestions which may be made by persons interested.

10. As your Lordship will observe, the reports of the Local Governments show that it is not the custom for employers of factory labour to withhold wages in an illegal manner from their employés. It is indeed customary for an employer to delay the payment of wages earned in a particular month till some date in the following month, but this practice is in accordance with general usage in India, and is perfectly understood and accepted by the operatives themselves. There is no doubt, as Mr. Jones observes, difference in the management of mills, but the Local Governments are disposed to think that the management is rarely incompetent, and, in the present circumstances of industrial enterprise in India, we do not think that managers of mills should be required by law to furnish certificates of competency. Neither do we consider that any provisions should be added to those already contained in Sections 12 and 15, Act XV. of 1881, regarding the fencing of machinery.

11. We shall shortly submit, for your Lordship's approval, a Bill embodying the amendments of the present Indian Factory Act of which we have approved in the preceding paragraphs.

We are, &c.
(signed) *Lansdowne.*
G. Chesney.
A. R. Scoble.
P. P. Hutchins.
D. M. Barbour.

TELEGRAM TO VICEROY.—DESPATCHED 14TH MAY 1889.

YOUR Despatch of 5th March on Factory Act. I accept your conclusions except on two points; first, I would provide for four days holiday or absence per month for women, as agreed upon by Bombay millowners, Bombay operatives and Bombay Government; secondly, exemption of Government factories should not go beyond Section 93 of English Act. Please submit Bill accordingly.

EAST INDIA (FACTORY ACT).

COPY of further CORRESPONDENCE relating to the Amendment of the INDIAN FACTORY ACT of 1881 (in continuation of Parliamentary Paper, No. 124, of Session 1889).

(*Mr. James Maclean.*)

Ordered, by The House of Commons, *to be Printed,*
23 *May* 1889.

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H.—3. 6. 89.

EAST INDIA (FACTORY ACT).

RETURN to an Address of the Honourable The House of Commons, dated 15 April 1889;—*for*,

"COPY of REPORTS on the Working of the INDIAN FACTORY ACT made to the GOVERNMENT OF INDIA in reply to INQUIRIES recently directed by the SECRETARY OF STATE FOR INDIA."

India Office, 16 April 1889.

HORACE WALPOLE.

(Mr. Caine.)

Ordered, by The House of Commons, *to be Printed,* 16 *April* 1889.

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124.

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COPY of REPORTS on the Working of the INDIAN FACTORY ACT made to the GOVERNMENT OF INDIA in reply to INQUIRIES recently directed by the SECRETARY OF STATE FOR INDIA.

MADRAS REPORTS.

(Judicial Department.)

Letter from the Chief Secretary to the Government of Fort St. George, to the Secretary to the Government of India, Home Department.

Sir,

I AM directed to acknowledge the receipt of Mr. Hewett's endorsement, No. 1034, dated 21st June last, on a Despatch from the Right Honourable the Secretary of State, No. 30, dated 3rd May 1888, calling for a report on the subject of the working of Indian factories and of the Indian Factory Act. I am also to acknowledge the receipt of Mr. Hewett's reminder, No. 1351, dated 18th August 1888, and of the endorsement, No. 1406, dated 28th August 1888, on a further Despatch from the Secretary of State, dated 26th July, and bearing No. 45.

2. In reply, I am to forward copy of Proceedings of Government of this date, No. 1967, recording the reports of the several District Magistrates, the Commissioner of Police, Madras, and the Consulting Engineer for Railways on the questions raised, and I am to invite attention to the orders of this Government on the annual reports of operations under Act XV. of 1881, the last of which are recorded in Judicial G.O., 10th May 1888, No. 1090.

3. The number of factories in this Presidency coming within the scope of the Act was only 24 in 1887, and has decreased, instead of increased, in the last five years. There is no information before this Government as to what number of factories exist, which, from the number of hands employed being less than a hundred, or for other reasons, do not come within the purview of the Act. They see, however, no reason to depart from the opinion expressed in Judicial letter, 28th October 1882, No. 1742, to the effect that the provisions of the Act should be extended to factories employing a less number of hands than 100.

4. From the reports received, it will be observed that the mills in this Presidency are in the hands of competent managers and are in good sanitary condition; that machinery is adequately fenced; and that no abuses in the way of withholding wages from the hands are found to exist. As regards three of the four points summarised in paragraph 2 of His Lordship's Despatch, No. 30, there is, therefore, no reason for thinking that in this Presidency there is anything calling for amendment. The agency now employed for the purposes of inspection appears adequate and efficient; the number of factories in this Presidency is so small that it would be impossible to find any other with due regard to economy.

5. The fourth point specially referred to by his Lordship is the long hours of work and the few holidays. In this respect, the state of things in Madras does not seem to be anywhere so bad as it is stated to be in some cases in Bombay, and it will be noticed that one of the two Inspectors who recommend statutory limitation of the hours of work for all classes of employés on the ground that the prolonged labour must be injurious to health, goes on to mention that the mill hands present a much healthier aspect than the outside labourers, and seem to lead a happy and contented life. His Excellency the Governor

Vizagapatam District Magistrate's letter, 13th August 1888, No. 101.

Governor in Council is not convinced that a case has been made out for limiting the hours of labour, and believes legislation in this direction to be unnecessary at present in this Presidency. There seems little probability of mills here being artificially lighted, and the hours of labour are thus limited to those of daylight, which, of course, do not vary at different seasons of the year to the same extent as in Europe. Nor does there appear any reason for the enactment of any special hours for adult women. The case of children is met by section 7 of the Act, and, as stated in G.O., dated 9th February 1883, Nos. 329, 330, this Government is not in favour of the amendment of the definition of child in the manner suggested by Mr. Meade King in 1882.

6. As regards holidays, this is generally a matter which depends on the operatives themselves, as they are paid according to the number of days for which they attend and work. The number of native and local holidays is large, and there is certainly nothing in the condition of the factory hands which demands a compulsory closing on Sundays.

I have, &c.
(signed) *J. F. Price,*
Ootacamund, 15 September 1888. Acting Chief Secretary.

Government of Madras.—Judicial Department.

READ—the following papers :—

From the	District	Magistrate,	Madura,	dated	20th	January	1888, No.	3
„	„	„	Chingleput	„	14th	February	„ „	84
„	„	„	Trichinopoly	„	3rd	March	„ „	23-2
„	„	„	Salem	„	6th	„	„ „	374
„	„	„	Anantapur	„	9th	„	„ „	183
„	„	„	Malabar	„	26th	„	„ „	769
„	„	„	Tanjore	„	27th	„	„ „	186
„	„	„	Coimbatore	„	31st	„	„ „	250
„	„	„	Nilgiris	„	6th	April	„ „	373
„	„	„	Cuddapah	„	19th	„	„ „	356
„	„	„	South Canara	„	19th	„	„ „	1405
„	„	„	North Arcot	„	24th	„	„ „	259

ABSTRACT.—Reporting that there are no factories in these districts that fall under the Factories Act.

From M.R. Ry. *A Suryanarayana Naidu*, Garu, General Deputy Magistrate and Inspector of Factories in Goomsur Division, to the District Magistrate of Ganjam, dated Russellkonda, 10th January 1888, No. 25.

I HAVE the honour to submit my report on the inspection of the sugar factory at Aska belonging to Messrs. Minchin Brothers and Co. for the year 1887.

2. During the year under review, I inspected this factory three times, viz., 27th April, 16th August, and 10th December 1887. On these occasions, Mr. Kollman, the manager of the factory, was on the premises, and gave me every facility in my work of inspection.

3. No children under the age of 12 years were employed.

4. All dangerous portions of the machinery were, in my opinion, securely fenced.

5. All the requisite notices were hung up conspicuously.

6. I found the factory, as usual, very clean and well ventilated.

7. Only one accident was reported during the year under review, against seven in 1886.

On the 20th September 1887, at 4.30 p.m., a man named Kodandy, aged 34 years,

34 years, got his chest, hands, and legs slightly scalded, while letting out a skip of treacle. This was due to his own carelessness.

8. With reference to paragraph 5 of G.O., dated 21st May 1887, No. 1090, Judicial, I beg to state that the manager of the factory has informed me that, of the seven accidents mentioned in my report for 1886, No. 1 in the list was caused by the carelessness of a fellow coolie, and all the others were due to the carelessness of the injured persons themselves.

9. The factory is carefully supervised by the manager and his subordinates. There is a maistry for every kind of work, besides two head warders and two assistant warders, who are specially in charge of the machines. These are also supervised by two head maistries. Moreover, two head gumastahs look after the whole work, while Mr. Kollman, the manager, supervises the entire factory.

10. I beg to append a statement showing the results of the inspections :—

Name of Factory.	Date of Inspection.	Number of Persons Employed.				Machinery whether Fenced or not.	Ventilation and Sanitation.
		Adults.		Children.			
		Men.	Women.	Males.	Females.		
Sugar Factory at Aska.	27 April 1887	433	- -	- -	- -	Securely fenced	Clean and well ventilated.
	16 Aug. „	455	- -	- -	- -	- ditto -	- ditto.
	10 Dec. „	404	- -	- -	- -	- ditto -	- ditto.

(No. 307.)

Endorsement on the above.

Submitted to the Chief Secretary to Government, Judicial Department.

(signed) *H. Howell*, Dy. Collr.,
For Collector and District Magistrate.

Chatrapur, 25 January 1888.

From *G. F. T. Power*, Esq., Acting Joint Magistrate, to the Magistrate, Godávari District, dated Rajahmundry, 2nd February 1888, No. 21.

I HAVE the honour to report on the working of the Factories Act XV. of 1881 during the year 1887.

2. The Government workshop at Dowlaishweram is the only factory in the division coming under the scope of the Act. It was inspected by my predecessors twice during the year. At the time of the first inspection, by Mr. Miller, on 25th July 1887, 124 males and five females were employed, besides 33 boys, of whom 26 were apprentices, one bellows boy, one fitter boy, and five carpenter boys. They were all over 12 years of age. At the time of the second inspection, by Mr. Hamnett, on 10th October 1887, there were 180 males and six females. There were also 20 bellows boys, four fitter boys, five carpenter boys, and 34 apprentices. One of the boys in the smiths' shop, Inapakurti Malliah, a bellows boy, did not seem to Mr. Hamnett to be more than 12 years of age. The superintendent promised to produce a certificate

from the civil surgeon as to his age. D. and E. registers were not maintained, on the ground that no children were employed in the factory.

3. There was proper ventilation, and everything was in good order.

4. All dangerous machinery was properly fenced.

5. There were no accidents during the year.

6. The working hours were as usual from 6 a.m. to 12 noon, and from 2 to 5 p.m.

7. The statement prescribed by Government in their Order, No. 1760, dated 7th July 1885, is enclosed.

Enclosure.

STATEMENT showing the Number of Persons employed at the end of the Year 1887 in the Government Workshop at Dowlaishweram.

Name of District.	Name of Factory.	Number of Persons Employed at the end of the Year 1887.				Machinery, whether Fenced or not.	Ventilation and Sanitation.	Remarks.
		Adults.		Children.				
		Males.	Females.	Males.	Females.			
Godávari District.	Government Workshop.	205	6	* 75	- -	Fenced -	Good -	39 Apprentices. 4 Fitter boys. 7 Carpenter boys. 25 Bellows boys. 75 *

(No. 10.)

Endorsement on the above.

Submitted to Government with the Enclosure.

(signed) *L. C. Miller,*
For District Magistrate.

Cocanada, 13 February 1888.

From *C. F. MacCartie*, Esq., Acting District Magistrate of Tinnevelly, to the Chief Secretary to Government, dated Tinnevelly, 16th February 1888, No. 212.

ADVERTING to the Proceedings of Government, Judicial Department, No. 625, dated 5th March 1883, I have the honour to submit the annual report on the working of the Indian Factories Act (XV. of 1881) in the district for the calendar year 1887.

2. During the year under review, there were only three factories falling under the provisions of the Act as detailed in the margin, the first two being situated in the Joint Magistrate's division and the third in the Head Assistant Magistrate's.

1. Tuticorin Cotton Press Company (Limited).
2. Cotton Press of Darley, Butler and Co.
3. Cotton-spinning Factory, Pápanásam.

3. The

3. The Cotton Press of A. and F. Harvey and Co. at Virudupati, which was the only registered factory in the General Charge Deputy Magistrate's division, has since been removed from the register of factories, as the number of hands daily employed was found never to have reached 100. In connection with this factory, the attention of the Division Officer has been drawn to paragraph 5 of G.O., dated 7th July 1885, No. 1760, Judicial, prescribing occasional visitation.

4. Besides the foregoing registered factories, there are cotton presses in the Joint and General Charge Deputy Magistrate's divisions which do not fall within the scope of the Act, as they do not fulfil the necessary conditions. Instructions have been issued to the Division Officers concerned to watch these undertakings, in view to their being brought under control and supervision, if ever the number of their employés should bring them within the definition of a "Factory."

5. The above-noted factories were visited by the respective inspectors during the year under review on the dates given in the subjoined statement:—

	Name of Factory.	Date of Inspection.	Number of Times Examined.
1	Tuticorin Cotton Press Company (Limited)	7th June, 18th November, and 10th December 1887.	3
2	Cotton Press of Darley, Butler and Co.	7th June, 15th November, and 6th December 1887.	3
3	Cotton-spinning Factory, Pápanásam	31st August, 18th November, and 10th December 1887.	3

6. The number of hands employed in the three factories on the date of each inspection, and the condition of the factories with reference to sanitation and ventilation, are described below:—

Name of Factory.	Date of Inspection.	Number of Persons Employed.				Machinery, whether Fenced or not.	Ventilation and Sanitation.
		Adults.		Children.			
		Men.	Women.	Male.	Female.		
1. Tuticorin Cotton Press Company (Limited).	7 June 1887	131	13	-	-	Securely fenced.	Clean and properly ventilated.
	18 Nov. „	131	13	-	-		
	10 Dec. „	131	13	-	-		
2. Cotton Press of Darley, Butler and Co.	7 June „	126	8	-	-	ditto	ditto.
	15 Nov. „	129	6	-	-		
	6 Dec. „	121	8	-	-		
3. Cotton-spinning Factory, Pápanásam.	31 Aug. „	350	107	-	-	ditto	Clean and well ventilated.
	18 Nov. „	318	108	-	-		
	10 Dec. „	344	104	-	-		

The defect noticed in the last report with regard to the machinery of Darley, Butler and Co.'s Cotton Press has been remedied.

7. In the Cotton-spinning Factory at Pápanásam, the Inspector found the rules, schedules, &c., posted in a conspicuous place as required by the rules, but such was not the case with the other two factories at Tuticorin, where the explanation forthcoming was that the manuscript copies originally posted up were mischievously torn off the boards. On the requisition of the Joint Magistrate, I have since supplied him with printed copies of the rules for distribution among the agents of the factories with necessary instructions. In all other respects they comply with the rules and the provisions of the Act.

8. Two accidents occurred during the year under review in the Cotton-spinning Factory at Pápanásam (both slight ones), the details of which are given in the annexed statement.

9. These accidents were reported to the Inspector at once as required by the rules.

10. There were no prosecutions under the Act during the year under review, nor were children under 12 years of age employed in any of the factories.

REPORT on RAILWAY FACTORIES for the Year 1887.

During the year under report, the Engineering Factory at the Trichinopoly junction station was brought under the scope of the Act, thus making three railway workshops on the register of factories, which were all inspected as required by the Act.

2. In the new factory at Trichinopoly where children are employed, the provisions of the Act for regulation of child-labour are practically acted up to.

3. The machinery continues to be well and securely fenced.

4. A detailed statement of accidents reported during the year is herewith submitted, with a list of factories.

5. None of the accidents were serious.

(signed) *K. A. Jopp*, Colonel, R.E.,
Inspector of Railway Factories.

Enclosure.

LIST of FACTORIES.

Name of District.	Name of Factory.	Number of Hands ordinarily Employed.				Machinery, whether Fenced or not.	Ventilation and Sanitation.
		Adults.		Children.			
		Men.	Women.	Males.	Females.		
Madras - -	Perambur Railway Workshops.	2,727	- -	- -	- -	Sufficiently fenced.	Good.
Trichinopoly -	South Indian Railway Engineering Factory.	238	- -	28	- -	- ditto -	ditto.
Tanjore - -	South Indian Railway Locomotive and Carriage Shops.	1,553	- -	- -	- -	- ditto -	ditto.

(No. 230.)

Endorsement on the above.

Submitted to Government in the Judicial Department, with reference to their Proceedings, No. 329, dated 9th February 1883.

(signed) *K. A. Jopp*, Colonel, R.E.,
For Consulting Engineer for Railways.

To the Chief Secretary to Government,
Judicial Department.

From *J. H. Munro*, Esq., Assistant Magistrate, to the District Magistrate, Bellary, dated Bellary, 14th January 1888, No. 20.

I HAVE the honour to submit my report on the working of the Factories Act XV. of 1881 for the calendar year 1887, together with the prescribed statement.

2. The only factory registered under the Act in the division is the spinning and weaving mill of Messrs. A. Sabapathy Modeliar and Co. at Bellary. The engine

engine is worked by steam, and its moving power is 65 nominal and 300 actual horse-power.

3. The mill was inspected by Mr. Sami Iyer six times during the year, and the number of people employed on the dates of inspection was as detailed below:—

Date.	Number of Men.	Number of Females.	Young Persons.
25th February 1887 - - - - - -	170	70	172
9th May „ - - - - - -	164	55	161
12th July „ - - - - - -	217	83	167
15th September „ - - - - - -	222	74	174
22nd „ „ - - - - - -	224	77	174
24th December „ - - - - - -	219	59	157

They looked healthy and strong.

4. A file of certificates granted by the civil surgeon is maintained.

5. No registers in forms D. and E. are kept, as no children are employed in the factory.

6. A printed copy of the rules, without forms, only in English, has been conspicuously placed on the entrance door. A Telugu translation of the rules and of the forms must also be kept there for reference. The manager has promised to supply this defect soon.

7. Notice in Form F. in English and in the Vernacular showing the daily working hours is suspended at the entrance of the spinning and weaving rooms. The working hours were from 6 a.m. to 6 p.m., with a recess of half-an-hour for food and rest. The boys are permitted 15 minutes' rest for every four hours for recreation. Two Fridays in a month are allowed as holidays in addition to the Hindu and Muhammadan festival days. The Christians employed in the mill have got an extra holiday of half-a-day on Sundays.

8. The rates of wages paid to the coolies are—

Men—3 to 5 annas per diem.
Women—2 to 4 annas per diem.
Boys—2 to 3 annas per diem.

9. The machines have been carefully supervised by the factory engineer residing on the spot. The fly-wheel of the engine is in a room by itself, and only persons of experience engaged in the room are allowed to approach the fly-wheel. The room is always closed by a half door to prevent access to strangers. Arrangements, however, have been made to fence it round with wooden railings.

10. There were two accidents during the year:—

(1) On the 21st September, while the engine was at work, one of the leather straps in the spinning throstle-room broke, and a copper fastening attached to the broken piece struck cooly Nagappa below his eyelid and got stuck up therein. He was at once removed to the hospital, where he was under treatment, and returned to the factory for work after about 40 days.

(2) On the 8th December a cooly named Appiah, who had been working in the mill for about two years, was engaged in the spinning-room. The twine banding of one of the spindles broke. The cooly attempted, while the machine

was in motion, to catch the broken piece without applying the brake, and placed his right hand between the rollers, and got it injured. He was at once removed to the hospital, where it is reported he is still under treatment.

11. The ventilation and sanitary arrangements are good.

12. There was no prosecution during the year.

Enclosure.

Name of the District.	Number of the Factory in Registry A.	Locality where situated.	Name of Factory.	Number of Persons Employed on Dates of Inspection.				Dates of Inspection.	Machinery, whether Fenced or not.	Ventilation and Sanitation.
				Adults.		Juveniles.				
				Men.	Women.	Males.	Females.			
								1887:		
Bellary - -	1	Bellary	Bellary Spinning and Weaving Mill -	170	70	172	–	25th Feb -	Kept with care.	Good.
				164	55	161	–	9th May -		
				217	83	167	–	12th July -		
				222	74	174	–	15th Sept. -		
				224	77	174	–	22nd „ -		
				219	59	157	–	24th Dec. -		

Endorsement on the above.

SUBMITTED to Government.

2. The district magistrate has himself visited the mills lately and found things in good order.

(signed) *H. Goodrich*,
District Magistrate.

27 February 1888.

From *C. Mullaly*, Esq., Head Assistant Magistrate, to the District Magistrate, Kistna, dated Bezváda, 7th February 1888, No. 13.

I HAVE the honour to submit a report under the Factories Act XV. of 1881 for the calendar year 1887.

2. There is only one factory in the division, viz., Department of Public Works Workshops, Bezváda.

3. This factory was inspected by my predecessors on 31st March and 21st October.

4. The rule as to posting up in a conspicuous place notice of working hours and holidays, as also rules and forms in English and Telugu (*vide* Rule XXIII.), was being properly observed.

5. The registers under Forms D. and E. were kept, and the certificates given in Form C. by the certifying surgeon were posted in a book.

6. A notice, giving particulars as to the intervals for food and rest to children, was also posted in front of the factory.

7. The hours fixed were from 6 a.m. to 6 p.m., with two hours' interval, that is, 10 hours in all.

8. No prosecutions were ordered under the Act during the year.

9. No accidents were reported in the year.

10. I enclose

10. I enclose a statement showing the number of persons employed at the time of inspection and the state of the factory with reference to sanitation and ventilation.

Enclosure.

Name of the Division.	Name of Factory.	Number of Persons Employed.				Machinery, whether Fenced or not.	Ventilation and Sanitation.	Date on which Examined.
		Adults.		Juveniles.				
		Men.	Women.	Male.	Female.			
Head Assistant Magistrate's Division.	Government Workshop, Public Works Department, at Bezvada.	202	–	8	–	–	Good	31st Mar. 1887.
		195	–	9	–	Fenced	ditto	21st Oct. „

(No. 165.)

Endorsement on the above.

Forwarded to Government, in the Judicial Department, with reference to G. O., dated 9th February 1883, No. 329.

2. This is the only factory in the district falling within the scope of the Act.

(signed) *A. T. Arundel*,
Vinukonda, 1 March 1888. District Magistrate.

From M.R.Ry. *K. Purushottam*, General Duty Deputy Magistrate, Vizianagrum Division, to the District Magistrate, Vizagapatam, dated Vizianagrum, 22nd February 1888, No. 17.

I have the honour to submit my report on the working of the Chittivalsa Factory for the year 1887.

2. This is a gunny factory belonging to Messrs. Arbuthnot & Co. During the year under report, my predecessor inspected the factory thrice on the dates mentioned below:—

(1) On the 9th July 1887 between 3 and 4 p.m.
(2) „ 21st Oct. „ „ 7 and 8 a.m.
(3) „ 15th Dec. „ „ 8 and 9 a.m.

Mr. George Will on the first occasion, and Mr. J. Innes on the next two occasions, were present at the time of the inspection.

3. In this factory jute is cleaned, turned and woven, and eventually made into gunny bags. The engine is worked by steam, and its moving power is 77 nominal and 220 actual horse-power.

4. The factory was closed on Sundays, as also on eight English and nine and a-half Native holidays during the year. The working hours were the same as stated in the report for the previous year, viz., from 5½ a.m. to 6½ p.m., with an interval of 1½ hours from 12 to 1½ p.m. from November to the end of March, and of two hours from 12 to 2 p.m. from April to October except on Saturdays, when the engine is stopped at 4½ p.m., with an interval of only an hour at noon.

5. The average number of persons employed daily during the year was 741, and the number of persons at work on the dates of inspection were as follows:—

DATE.	MEN.		WOMEN.	
	Above 16.	12 to 16.	Above 16.	12 to 16.
9th July 1887 - - - - -	333	243	81	10
21st Oct. „ - - - - -	324	254	76	8
15th Dec. „ - - - - -	331	275	113	23

No children under 12 years were employed in the factory.

6. The factory is usually whitewashed and cleaned once a year. The whitewashing for 1886 was commenced on 25th December 1886 and was completed on the 27th January 1887. The whitewashing for the year under report was begun on 27th November 1887 and was completed before the 31st January 1888.

The latrines were being cleaned as usual by hot water that was let out from the engine. It is said that this arrangement answered the purpose well.

7. The rooms of the building were properly ventilated. In the preparing room, however, there is much dust, but the workmen are accustomed to work in it with a cloth over their mouths.

8. The temperature in the working room at the time of inspection was as follows:—

On the 9th July 1887 - - - - - -	90°
„ 21st Oct. „ - - - - - -	82°
„ 15th Dec. „ - - - - - -	74°

9. The machinery has been protected either by iron rails or by iron and wooden shields, so as to prevent all chances of accidents, and it is also fenced wherever it was necessary or possible. The calendar rollers have been protected with small guide rollers, for the purpose of conducting the cloth to the in-running side of the upper calendering rollers. These are now worked safely and with ease.

10. Two accidents were reported during the year under report:—

(1) On the 19th October last at 7½ a.m., Dumpa Tatu, a boy of 14 years, got his left arm cut and bruised by a rope-stretching machine worked by himself.

(2) On the 19th November last, while a man named Jeru Dalidu, was employed in entering a piece of cloth through callender rollers, his two fingers in each hand were bruised.

Both these were kept under medical treatment at the Bimlipatam dispensary, and were recovered soon. The former of these, viz., the boy who was injured on the 19th October, returned to duty on the 26th idem, and the latter on 16th ultimo.

11. Certificates of age were granted to all young persons employed in the factory in Form C. appended to the rules by the civil apothecary of the municipal dispensary, Bimlipatam, who is appointed certifying surgeon under Section 5 of the Factories Act XV. of 1881. A file of these certificates is maintained as required by Rule XIV.

12. D and

12. D. and E. Registers are not maintained in the factory, as no children under 12 years of age were employed.

13. A notice of daily working hours has been maintained in Form "K," as required by Rule XVI., as also a list of holidays, both of which were hung up in a conspicuous part of the office-room in the factory.

14. Printed copies of the rules and forms, with Telugu translations, have also been posted on the outer walls of the office room.

15. Many of the young persons employed in the factory were inspected by my predecessor, and were found cheerful and healthy.

16. Registers A. and B., required to be kept in my office under Rule 2, have been properly maintained.

17. A statement showing the number of persons employed on the last working day of the year is herein enclosed, as required by paragraph 7, G.O., 7th July 1885, No. 1760, Judicial Department.

Enclosure.

TABLE showing Number of Persons employed at the end of the Year, and the state of the Factory with reference to Sanitation and Ventilation.

Name of District.	Name of Factory.	Number of Persons employed at the end of the Year.				Machinery, whether Fenced or not.	Ventilation and Sanitation.
		Adults.		Juveniles.			
		Men.	Women.	Male.	Female.		
Vizagapatam - -	Gunny Factory at Chittivalsa.	382	123	279	20	Properly fenced.	Good.

(No. 256.)

Endorsement on the above.

Submitted to the Chief Secretary to Government.

2. This is the only factory in the district falling within the scope of the Act. The two accidents reported were not of a very serious nature.

(signed) *T. Ramamurti,*
Vizagapatam, 17 March 1888. Deputy for District Magistrate.

From Colonel *T. Weldon*, Commissioner of Police, Madras, to the Chief Secretary to Government, dated Madras, 26th March 1888, No. 24.

I HAVE the honour to submit the report of the Deputy Commissioner of Police, as Inspector of Factories in the City of Madras, for the year 1887.

2. The inspections have been regularly and carefully made. There were 59 accidents reported, being an increase of 28 over 1886, but only 12 of the 59 cases recorded were otherwise than trifling. Of the 12 serious cases, two were not, properly speaking, due to the machinery in any way, and the remaining ten were due to the carelessness of the operatives, to which all the injuries also may be ascribed. Of four accidents reported from the Gunpowder Factory,

only one was strictly a factory accident, that is, caused by the machinery. All the others might have occurred anywhere. So in the Harbour Works, of seven accidents registered, only three were caused by the machinery, and in the Public Works Workshops, of eight accidents registered, only one was caused by machinery.

3. The Southern India Spinning and Weaving Mills at Ráyapuram had a most fortunate escape from what might have been a very destructive fire, endangering many lives on the premises and neighbouring property. The Deputy Commissioner remarks on the absence, not only of a fire-engine, but of any means for the rescue or escape of operatives who may be employed on the upper floors of the mill when a fire breaks out. Subsequent to the outbreak of the fire noted in the report, the managers have obtained a 300-feet hose to be attached to the donkey engine, but that being a stationary engine, there might be difficulty in using this expedient in parts of the building. The railway coal-yard adjoins the mill, and, in the event of a fire at the latter place, would be in great danger.

4. The Deputy Commissioner notes with satisfaction the re-employment of children at the Buckingham and Carnatic Mills, there being now 707 children so employed against 193 in 1886. Besides learning a useful trade, the wages earned by these children are a material help to the parents. The children are said to be well cared for.

Enclosure.

From *S. D. Simpson*, Esq., Deputy Commissioner of Police and Inspector of Factories, Madras, to the Commissioner of Police, dated Madras, 22nd March 1888, No. 13.

I HAVE the honour to report that the factories in the City of Madras were visited by me during the calendar year 1887, as stated below:—

Name of Factory.	Dates of Inspection.	Number of Times visited.
Buckingham Mill	27-3-87; 31-8-87; 23-12-87	3
Carnatic "	27-3-87; 31-8-87; 23-12-87	3
Gun Carriage Factory	30-4-87; 25-8-87; 4-12-87	3
Gunpowder "	19-3-87; 19-8-87; 21-12-87	3
Southern India Spinning and Weaving Company.	15-3-87; 28-3-87; 4-6-87; 13-7-87; 15-11-87.	5
Madras Harbour Works	14-4-87; 13-8-87; 19-11-87	3
Massey & Co.	27-4-87; 26-7-87; 28-12-87	3
Public Works Workshops	25-4-87; 7-7-87; 4-12-87	3
The Arsenal	18-4-87; 20-8-87; 2-12-87	3
Madras United Spinning and Weaving Mill	18-3-87; 27-8-87; 31-8-87; 7-12-87	4
The Cement Works	27-4-87; 26-7-87; 28-12-87	3

2. *Accidents.*—I append a list of accidents during the year. Of these, there were 59 against 31 in 1886. Statement A shows in detail the number in each factory, how they occurred, and the extent and description of the injury in each case. It will be seen from this statement that the injuries sustained in all but 12 (*a*) cases were trivial, and that none proved fatal.

(*a*) Marked thus°

3. *Fires.*—On the 31st of October, about 11 a.m., a fire was discovered by the operatives in the blow room (ground floor) of the Southern India Spinning and Weaving Company's Mills (Ráyapuram). It seems to have originated in a machine called the Double Crighton Opener, cause being unknown; but it is surmised that some grit in the cotton coming in contact with the beaters, which in this machine revolve 1,100 times per minute, must have occasioned ignition. In a moment the cotton round the machine caught fire, but the alarm being immediately given, the men employed in the room succeeded in getting out uninjured. The room, fortunately, being fire-proof, the fire was confined to it, the other portions of the building remaining scathless. On the report of the fire reaching the operatives in the second and third floors, some of the hands came down by the ordinary staircase, while the others let themselves down by ropes, which they had fastened to the window bars, and thus all escaped without a scratch of any kind.

The

The number of men employed in this mill on that day is as follows:—

Blow room	12
Ground floor	147
Second „	162
Third „	157
Total	478

The Madras Railway steam fire-engine, with some 25 workmen, soon came on to the scene, but the fire was not got under until cotton and property to the value of 1,100 rupees had been destroyed.

I regret to report that the mill has no fire-engine of any kind, although the manager promised some three years ago to provide one as early as possible. Neither had it any domestic fire-escape or portable ladder fire-escape to enable the men to get away from the building. Happily the fire was restricted, as I have already remarked, to one room; and the men in the upper floors, finding accidentally some cotton ropes lying about, utilised them with great presence of mind and thus effected a safe descent of some 35 feet.

Subsequent to the fire, a 300-feet length of hose and 250 buckets were obtained from Bombay. The hose is now fastened to the donkey engine, by which means it is proposed to pump water in case of another fire.

4. *Children.*—In my report for last year, paragraph 3, I referred to the objection on the part of the Buckingham and Carnatic Mills to employ children under 12 years of age, and pointed out, with regret, that 193 (183 boys and 10 girls) children were refused employment in that year, and that 740 children in all had been rejected since 1883. Now, however, I am very glad to be able to report that the bar has been removed, and that children are again admitted into the above-named mills (Buckingham and Carnatic), the result being that during the year under review 675 children were brought on the rolls. In 1886 there were 31 boys and one girl, being the children remaining since 1883, while 1887 closed with a registered* juvenile class of 623 boys and 84 girls in the two mills.

1884	210
1885	337
1886	193

	Boys.	Girls.	Total.
*Buckingham	331	45	376
Carnatic	292	39	331
Grand Total			707

These mills, as I remarked last year, are under European management (agents, Messrs. Binny and Co.,) and the children are allowed the usual holidays and are well cared for.

5. *Gunpowder Factory.*—This factory was closed for work on the 4th June last year. On that day there were 96 men and eight women employed in this establishment. Out of this number 38 persons have been retained for cleaning and repairing the machinery, &c., and the services of the others have been dispensed with.

6. The following table shows the number of persons employed at the end of the year and the state of the factories in regard to sanitation and ventilation:—

Name of Factory.	Number of Persons employed at the end of the Year.				Machinery, whether Fenced or not.	Ventilation and Sanitation.
	Adults.		Juveniles.			
	Men.	Women.	Male.	Female.		
Buckingham Mill	423	40	321	45	Yes.	Good.
Carnatic Mill	523	20	292	39	„	„
Gun Carriage Factory	424	2	–	–	„	„
Gunpowder Factory	55	1	–	–	„	„
Southern India Spinning and Weaving Mill.	437	13	–	–	„	„
Madras Harbour Works	665	103	–	–	„	„
Massey and Co.	270	–	–	–	„	„
Public Works Workshops	290	1	–	–	„	„
The Arsenal	547	3	–	–	„	„
Madras United Spinning and Weaving Mill.	502	12	–	–	„	„
The Cement Works	255	86	–	–	„	„

From *H. Sewell*, Esq., District Magistrate, South Arcot, to the Chief Secretary to Government, dated Cuddalore, 26th March 1888, No. 22.

I HAVE the honour, with reference to G. O., No. 625, dated 5th March 1883, Judicial, and paragraph 6 of G. O., No. 193, of the 9th February 1882, to forward herewith reports* from the Assistant Magistrate and Deputy Magistrate on general duties on the working of the Factories Act XV. of 1881 during the calendar year ending 31st December 1887.

* Assistant Magistrate's letter, No. 17, dated 3rd February 1888.
General Duty Deputy Magistrate's letter, No. 7, dated 10th January 1888.

2. The only factories falling within the definition of the Act which were in working order in this district during the year under report were those at Nellikuppam and Tiruvennanallúr. The latter establishment was under repair during some months of the year.

3. The factory at Nellikuppam is situated in the Assistant Magistrate's division. This officer, as well as his predecessor, the Temporary Deputy Magistrate, have inspected it on two occasions during the year. I have also inspected it myself once. The sanitary condition of the factory premises is reported to be good, and the buildings are fairly well ventilated.

4. The statement of accidents herewith submitted shows that there were four accidents in this factory. The injured persons in all cases were sent to the dispensary and cured.

5. The factory at Tiruvennanallúr was twice inspected by the General Deputy Magistrate and once by myself. He reports that the sanitary condition was tolerably good on the first occasion. The factory was not at work at the time of his second inspection, as the whole building, except the portion occupied by the distillery, was then under repair. There were two accidents (*vide* statement referred to in paragraph 4 *supra*) in this establishment, of which one proved fatal. The circumstances under which this happened are detailed below :—

A male cooly, aged 18, fell into a vat of boiling sugar, and, though taken out promptly and sent to hospital, died the same night from the effects of the scalding. From inquiries made it appears that the accident was caused by the man's own fault, as he was doing work for which he had not been told off and for which he was not fit, viz., removing the scum from the boiler with a wooden scoop, in doing which he overbalanced himself and fell in. His proper work was to carry away buckets full of the scum which ought to have been taken from the vat by another man employed on this work. No blame therefore attaches to those in charge of the factory. There was, however, an omission on the part of the manager to report this accident strictly according to the rules laid down. I had to pass proceedings calling his attention to this, and I also sent copy to the owners, Messrs. Parry and Co., requesting them to impress on their agents the necessity of acting strictly in accordance with the provisions of the law.

6. As directed in paragraph 4 of G. O., dated 21st May 1887, No. 1090, Judicial, I beg to state that the factory at Tiruvennanallúr falls under the definition in Section 2 of the Act, as more than 100 persons have worked in it on several days during the last three* years, as shown in the margin.

* Number of days on which more than 100 coolies worked—

1885	92
1886	180
1887	152

7. The statement prescribed in G. O., dated 7th July 1885, No. 1760, is submitted.

Enclosures.

From *J. Walker*, Esq., Assistant Magistrate, to the District Magistrate, South Arcot, dated Cuddalore, 3rd February 1888, No. 17.

I HAVE the honour to submit my report on the working of the Factory Act for 1887.

2. The factory at Nellikuppam, belonging to Messrs. Parry & Co., was inspected during the year by the Temporary Deputy Magistrate and myself on two occasions as specified in the margin, and the result of the inspection is shown in Statement B (enclosed).

10th September 1887 by Temporary Deputy Magistrate.
22nd December 1887 by me.

3. I found the sanitary condition of the factory premises good and the buildings fairly well ventilated. As no children are employed in the factory, no registers in the forms D and E (Rule XV.) and no file of certificates in Form D (Rule XIV.) were maintained during the year.

4. There were four accidents during the year. The injured persons were in all cases sent to the dispensary at Cuddalore, and in no case were the results fatal. A statement showing the details of each case is herewith submitted.

5. The sugar-cane factory at Bandipoliem was brought on the register last year, but it was in operation for under four months in the year. I have therefore removed it from the register.

6. No prosecutions have been ordered during the year.

From *Kunchi Subba Row Pantulu, Garu*, Deputy Magistrate on General Duty, to the District Magistrate, South Arcot, dated Tirukoilúr, 10th January 1888, No. 7.

I HAVE the honour to submit my report on the working of the Factory Act in this division for 1887.

2. Of the two factories in this division, the Sugar and Arrack Distillery of Messrs. Parry & Co. at Tiruvennanallúr above is a registered one. The said factory has been under reconstruction for some months during the year, and there were two accidents in the earliest part of the year when sugar factory was at work. Of the two, one proved fatal. As a rule, juveniles are not employed in this factory. The factory was twice inspected by me during the year, and I beg to send two extracts from the accounts—one showing the state of the factory, and the other exhibiting the particulars of the accidents.

3. The factory at Iruvalipatt was not at all at work during the year under report.

STATEMENT showing the Number of Persons Employed on the Dates of Inspection and the state of the Factories with reference to Sanitation and Ventilation during the Year 1887.

Name of District.	Name of Factory.	Date of Inspection, and by whom.	Number of Persons Employed.				Machinery, whether Fenced or not.	Ventilation and Sanitation.
			Adults.		Children.			
			Men.	Women.	Male.	Female.		
South Arcot	Sugar manufactory and refinery and spirit distillery at Nellikuppam.	10th Sept. 1887, Temporary Dy. Magistrate.	389	44	–	–	Fenced.	—
		22nd Dec. 1887, Assistant Magistrate.	434	32	–	–	Fenced - -	Sanitary condition of the premises good and ventilation fair.
	Sugar factory at Tiruvennanallúr.	30th May 1887, Dy. Magistrate on Gl. Duties.	68	1	–	–	Fenced to some extent.	Tolerably good.
		5th Dec. 1887, Dy. Magistrate on Gl. Duties.	96	16	–	–	—	—

ORDER—dated 10th May 1888, No. 1090, Judicial.

THE foregoing reports on the working of the Indian Factories Act, 1881, during the year 1887 show that the following changes took place. The Cotton Press at Virudupati, in the Tinnevelly district, was removed from the register, in accordance with the remarks made in paragraph 3 of G.O., dated 21st May 1887, No. 1090. The South Indian Railway Engineering Factory at Trichinopoly was, on the other hand, brought under the operation of the Act, and consequently the total number of factories within the scope of the Act remained 24, as in the two previous years, equally distributed between the Presidency town and the Mofussil.

2. The reports submitted by the Inspectors of Factories are for the most part full and satisfactory, and inspection seems to have been thorough, but in the Godávari and Kistna districts, the prescribed number of inspections was not made. In future reports the Inspector of Railway Factories will state the dates on which the factories subject to his supervision were inspected. The chief inaccuracy in the reports occurs in the employment of the term "juveniles," the objections to which were pointed out in the last paragraph of last year's review. The attention of the District Magistrates of Godávari, Bellary, and Vizagapatam, and of the Deputy Commissioner of Police, Madras, will be again drawn to the instructions there given.

3. In the number of accidents which occurred—and which was 112, against 58 in 1886, and 77 in 1885—there is some ground for dissatisfaction, though the newly included factory at Trichinopoly accounts for 20. The Government particularly notice the excessive number of accidents in the three Railway factories, especially in that at Trichinopoly. A large proportion of these was due to the falling of timber or ironwork, and evidences the need of more careful supervision in the carrying out of such work. The attention of the agents will be drawn to the matter. The one fatal accident which occurred at Tiruvannánallúr, through a workman, who was scooping scum off a vat of boiling sugar, falling in, is stated to have been due to the man's own fault. The work must, however, be at all times dangerous, unless the vats are protected, and the expediency of taking measures to prevent the possibility of the recurrence of such an accident should be brought to the notice of the manager by the District Magistrate. It is observed that the machinery at this factory is reported not to be completely fenced.

4. The narrow escape from a serious fire, which the Southern India Spinning and Weaving Company's Mills at Ráyapuram experienced, should convince the proprietors of the desirability of providing a fire-escape as well as an adequate fire engine, and to improve the means of ordinary exit from the upper floors of the buildings. The matter does not, however, seem to be one with which the Government can deal under the Act. The re-employment of children in the Buckingham and Carnatic Mills is a satisfactory feature of the year, and the example thus set will, it may be hoped, be followed in other factories, only two in the Mofussil having at present any child hands, viz., the Railway Factory at Trichinopoly and the Government workshop at Bezvada.

(True Extract.)

H. E. Stokes,
Chief Secretary.

To all District Magistrates.
„ the Inspector General of Police.
„ Commissioner of Police.
„ Public Works Department.
„ Consulting Engineer for Railways.

APPENDIX.

District.		Name of Factory.	Number of Hands Employed.	Number of Accidents.	Machinery, whether Fenced, or not.	Ventilation and Sanitation.
Ganjam -	Aska - -	Minchin Brothers' Sugar Factory.	Adults - 404	1	Securely fenced	Clean and well ventilated.
Godávari -	Dowlaishweram.	Government Workshop -	ditto - 286	–	Fenced.	Good.
Tinnevelly	Tuticorin -	Tuticorin Cotton Press Company, Limited.	ditto - 144	–	Securely fenced	Clean and properly ventilated.
	Tuticorin -	Cotton Press of Darley, Butler & Company.	ditto - 129	–	- ditto -	Clean and properly ventilated.
	Pápanásam	Cotton Spinning Factory	ditto - 448	2	- ditto -	Clean and well ventilated.
Madras -	Perambur -	Railway Workshop -	ditto - 2,727	12	Sufficiently fenced.	Good.
Trichinopoly	Trichinopoly	South Indian Railway Engineering Factory -	ditto - 233 Children 28	20	- ditto -	ditto.
Tanjore -	Negapatam	South Indian Railway Locomotive and Carriage Shops.	Adults - 1,553	8	- ditto -	ditto.
Bellary -	Bellary -	Messrs. A. Sabapathi Mudaliar and Company's Spinning and Weaving Mill.	ditto - 435	2	Kept with care.	ditto.
Kistna -	Bezváda -	Government Workshop, Public Works Department - - - -	ditto - 195 Children 9	–	Fenced - -	ditto.
Vizagapatam	Chittivalsa	Messrs. Arbuthnot and Company's Gunny Factory.	Adults - 804	2	Properly fenced	ditto.
Madras -	Madras -	Buckingham Mill - -	ditto - 463 Children 376	7	Fenced - -	ditto.
		Carnatic Mill - -	Adults - 543 Children 331	9	- ditto -	ditto.
		Gun Carriage Factory -	Adults - 426	–	- ditto -	ditto.
		Gunpowder Factory -	ditto - 36	4	- ditto -	ditto.
		Southern India Spinning and Weaving Company.	ditto - 450	11	- ditto -	ditto.
		Madras Harbour Works -	ditto - 768	7	- ditto -	ditto.
		Massey and Company -	ditto - 270	9	- ditto -	ditto.
		Public Works Workshops	ditto - 291	8	- ditto -	ditto.
		The Arsenal - - -	ditto - 550	–	- ditto -	ditto.
		Madras United Spinning and Weaving Mill.	ditto - 514	3	- ditto -	ditto.
		The Cement Works -	ditto - 341	1	- ditto -	ditto.
South Arcot	Nellikuppam.	Messrs. Parry and Company's sugar manufactory and spirit distillery at Nellikuppam.	ditto - 466	4	- ditto -	Sanitary condition of the premises good, and ventilation fair.
		Messrs. Parry and Company's sugar manufactory and spirit distillery at Tiruvennanallur.	ditto - 112	2	Fenced to some extent.	Tolerably good.

(Government of Madras.—Judicial Department.)

READ—again G.O., dated 10th July 1888, No. 1477, Judicial.

READ—also the following papers:—

From the Consulting Engineer for Railways, Madras, to the Chief Secretary to Government, dated Madras, 24th July 1888, No. 1104.

WITH reference to G.O., 10th July 1888, No. 1477, Judicial, I have the honour to state that the conditions described in para. 2 of the Secretary of State's Despatch do not exist in the Railway Factories which come under inspection by this office. These are well-ventilated buildings under efficient management and kept scrupulously clean. The working hours are not unduly long, and, as a rule, children are not employed.

2. I am of opinion that no modification of the Indian Factories Act, 1881, is called for in respect of railway workshops.

(signed) *S. Smith*, Major, R.E.,
for Consulting Engineer for Railways.

From the District Magistrate of Ganjam to the Chief Secretary to Government, dated Kasebugga, 8th August 1888, Extra No. 59.

ADVERTING to the G.O., dated 10th July 1888, No. 1477, Judicial, directing me to submit remarks on the four points summarised in paragraph 2 of the Secretary of State's Despatch, and an opinion on the question whether the Indian Factories Act, 1881, should be modified in the direction of additional stringency, and if so, in what manner, I have the honour to report as follows regarding the factory at Aska:—

(1.) No children under the age of 12 years nor females are employed in the factory. The workpeople are divided into two classes, the first class consisting of mechanics who work by day only, from sunrise to sunset, with an interval of two hours; while the second class work both day and night in the manufacture of sugar. This class is divided into sets who work alternately for six hours, from 8 to 2 and 2 to 8. This is done every day, including Sundays and holidays. During the sugar-cane time, the second class will be divided into three sets who work in shifts of four hours from 8 to 12, 12 to 4, and 4 to 8.

(2.) It is reported that the wages due to workpeople have never been withheld, and that the proprietor, Mr. F. J. V. Minchin, is very considerate as regards his workpeople.

(3.) The entire factory is carefully supervised by Mr. Kollman, the manager, and all dangerous portions of the machinery are securely fenced.

(4.) The factory is clean and well ventilated. I do not think it necessary to modify the Indian Factories Act, 1881, in the direction of additional stringency.

(signed) *J. G. Horsfall*,
District Magistrate.

From the District Magistrate of Bellary to the Chief Secretary to Government, dated Bellary, 10th August 1888.

I HAVE the honour in answer to the reference contained in G.O., 10th July 1888, No. 1477, Judicial, to report that in consideration of the working of factories and industrial establishments of like character observed in this district, I find no evidence of the desirability of modifying the Indian Factories Act, 1881, for the better protection of the workmen.

2. The

2. The industrial establishments in this district consist of (1) the Bellary spinning and weaving mills, (2) cotton presses at Bellary and Adóni, (3) distilleries at Bellary, (4) tanneries at Bellary and Hospet, (5) sheds where the seed is separated from the lint of cotton by gangs of women.

3. In the Bellary spinning and weaving mill the hours of work are 12 per diem, and the only holiday is a fortnightly one, every other Friday (the local market day). The roster of employés contains about 480 regular workpeople, of whom on an average not more than seven-eighths attend. They are only paid for the days they work and generally take a day off in the week. There is no complaint of fines or withholding of wages, and the wages are better than in other employments in the town. The manager is competent, accidents are few, and the workpeople have not access to the engine room. The rooms are clean, well lighted and well ventilated, though where the cotton is cleaned there is inevitably a good deal of dust and fluff floating in the air. I find no evidence of any special disease produced by this or any other cause, and the health of the workpeople seems excellent.

4. There are three cotton-presses working at Bellary, and one not working but subsidised by the others on condition that it stands idle; three working at Adóni and one out of order. They employ on an average 70 hands each when working, and work from two to six months in the year according to the business which the firm in each case happens to do, and in proportion to the abundance of cotton in the local market. The hours of work are 12, with half-an-hour for a meal (which must be taken in the premises); wages are good and there is no complaint of their being withheld or docked. Ventilation and space in the buildings ample, and machinery protected. There have been no accidents during the past two years. No children under 12 years of age are employed, and juveniles have light and suitable labour.

5. There are two distilleries in Bellary worked under the close inspection of the Excise department. About 50 people employed in the two establishments. Temperature oppressive at times in the fermenting room, but very few need go there at all and none need stay there long.

6. There are two tan-yards at Bellary and at Hospet; both well managed: neither employs labour sufficient to cause its inclusion under "Factories."

7. There are sheds in Bellary and Adóni where large numbers of women are employed in cleaning cotton from the seed in the native fashion. The owners of these sheds employ casual labour, which is paid for at its market rate on the day. When there is press of business these sheds are sometimes crowded, but no serious cause of complaint exists.

8. The machinery in the spinning mills is excellent and in good order, and that of the cotton-presses is fairly efficient. Wood is almost exclusively used as fuel and costs but 8 rupees per ton. The labourers in the mills are clean and healthy in appearance.

9. My deputy, Mr. Chester, after inspecting the cotton-presses, urged upon me the desirability of requiring each press to maintain an efficient fire-engine; he had been much impressed with the highly inflammable nature of the large quantity of loose cotton which is often lying about.

The granite walls and concrete roof of a Bellary house are however little susceptible of damage from fire, and if it were not so, there is never water enough in Bellary to put out a considerable fire.

10. I would advocate the addition of a single provision to the Factories Act, namely, a section imposing upon the factory owner the obligation to provide a latrine or latrines for his workpeople, and to keep these needful offices clean. No such conveniences are provided at present, but the mills and factories which I have described are in suburban quarters where open waste ground in the neighbourhood can be resorted to, in accordance with the habits of the class of people employed.

The obligation to supply potable water might be added to the burdens of the proprietor; the Bellary Spinning Mills pay 19 per cent.

(signed) *H. St. A. Goodrich,*
District Magistrate.

From the Commissioner of Police to the Chief Secretary to Government, dated Madras, 10th August 1888, No. 60.

In reference to the Order of Government, dated 10th July 1888, No. 1477 (Judicial), I have the honour to submit a report by the Deputy Commissioner of Police, the Inspector of Factories in this city, from which it will be seen that factory operations here are carried on without any substantial ground for complaint either by the operatives or on behalf of the public in general. The buildings are large, clean, and well ventilated, and the machinery is properly protected. The direction in which it is suggested there might be improvement is in regard to the hours of work for adults, which at present, in the summer, run to 13 hours daily, and in the winter months from 11½ to 12 hours. These hours are probably determined by the hours of daylight, as none of the mills are sufficiently lighted to carry on work after sunset, but if, as is not improbable may be done, the mills, or some of them, were fitted with electric light, there would be legally no limit to the hours of labour. Still it may reasonably be supposed that the labour being free, the operatives themselves can, to a great extent, control any tendency to exact an excessive number of hours for work. The Deputy Commissioner would fix 12 hours, with an interval of rest of one hour, as a maximum, which would certainly be a very good day's work, if it be considered necessary to fix any limit. He also recommends that one day in the week should be a close holiday in addition to a total of 20 days set apart during the year as native holidays, according to the principal native festivals; this would give, say, 72 days in the year as close holidays, in addition to the weekly stoppage of the machines for cleaning, which would involve the loss of half-a-day's work; but, as the Deputy Commissioner points out, the machinery would be better preserved owing to this rest and care.

2. Another point the Deputy Commissioner refers to is the payment of wages 15 days in arrears. He recommends a discontinuance of this practice, and that the operatives should be paid bi-monthly. I doubt the necessity for any interference with an accepted custom which does tend to protect the employer from a sudden and improper withdrawal of his operatives. There does not appear to be any suggestion that the claims of the workmen to the full sum due up to date are ever disputed, and the system of monthly payments is well and universally established both in public and private establishments.

3. On the whole, I think, the present Act has been found sufficient for the past and existing circumstances of this town, though elsewhere a necessity for greater stringency may exist which would justify an amendment of the law on this subject.

(signed) *T. Weldon*, Colonel,
Commissioner of Police.

Enclosures.

From the Deputy Commissioner of Police and Inspector of Factories, to the Commissioner of Police, dated Madras, 6th August 1888, No. 17.

In returning G. O., No. 1477 (Judicial), dated 10th July 1888, forwarded to me for my remarks on the working of the Indian Factories Act, I have the honour to report as follows:—

2. There are in all 12 factories in the Madras City; five of them are Crown factories, and the remainder belong to private companies. Of the latter, four are cotton mills, two iron works, and one cement works.

3. "The

3. The "Buckingham," the "Southern India," and "Madras United," are spinning mills, and the Carnatic both a spinning and weaving mill. There are in all 88,776 spindles and 270 looms.

	Ring Spindles.	Throstles.	Mule.	Looms.
Buckingham	nil	17,204	16,416	nil.
Madras United	nil	328	22,016	nil.
The Southern India	nil	460	15,000	nil.
Carnatic	17,352	nil	nil	270

and the following Tables shows the number of persons (adults and children) employed on an average in these mills :—

	Adults.		Children.	
	Men.	Women.	Boys.	Girls.
Buckingham	423	40	331	45
Madras United	502	12	–	–
The Southern India	437	13	–	–
Carnatic	523	20	292	39

4. The Buckingham and Carnatic Mill buildings are of one floor and covered with corrugated roofing; the Madras United is a two-floored building; and the Southern India has three floors. They are all clean and well-ventilated premises. The first three-mentioned mills have European managers, while the fourth has a Parsi, the son of the Agent (secretary and treasurer) of this mill. The European managers are very competent men, and have been in the profession for years. The Parsi also appears to understand the management, and has been six years in a mill. The hours of work are uniform in all the mills. In the summer they work from 5.30 a.m. to 6.30 p.m., and in the cold weather from 6 a.m. to 5.30 or 6 p.m. They seldom work over 12 hours per diem. The mills here allow half-an-hour for meals (12 to 12.30 noon), but no operative is prevented from getting his food at any time; it is brought to him to the mill. There are dining places with water taps set apart for drinking purposes, and I see men eating their food at all hours of the day. There is no restriction whatever placed in any of the mills as regards operatives getting their meals; but I would suggest they be allowed one hour in the day for resting.

5. The Buckingham and Carnatic Mills (Agents, Messrs. Binny and Company) employ children. They work only nine hours a day. They attend at 7 a.m. and knock off at 5 p.m., being allowed one hour (12 to 1 p.m.) for rest and play. During the month they have four days set apart for them; that is, they only work six days in the week. They are all in good condition, and are well cared for.

6. *Holidays.*—The average number of full holidays given by any of the mills is 12 days; the Hindus working or being required to work on some of their most important feast days; this is considered a hardship. I think the Buckingham and Carnatic Mills are the best regulated for holidays. They set apart correctly the feast days of the Hindus and Muhammadans of Southern India, whereas the Southern India and Madras United Mills only give a few of the Madras holidays, while they add to these the Bombay festivals, thus favouring the preferences of the few Bombay clerks in their employ to the prejudice of Madras. I consider the resting days and holidays insufficient, and think that adults should have four Sundays given them in the month in addition to their own important

tant annual feast days. At present the mills allow two days in the month; they are only partial holidays (cleaning days). The operatives have no leisure whatever to attend to their domestic affairs, and, if absent without leave, lose two days' pay for every day's absence. I think the attendance would be more regular and the men more contented if they had a certain number of days in the month set apart as close holidays. I append a list, marked A., showing what feast days should, in my opinion, be set aside as holidays in the Madras Presidency. The cleaning might be done in the afternoon of every Saturday, Sundays being observed as close holidays. The stoppage, too, would, I presume, be beneficial in this way. The engines and boilers would be thoroughly cleaned and repaired, and so would the mill-gearing and other parts of the machinery. This certainly would prevent the depreciation of the plant and the out-turn would be greater. Everything being clean and in order.

7. All the mills in Madras pay their servants 15 days in arrears. This is done, I am told, to prevent the operatives leaving without notice; but all claims are fully adjusted when men leave with permission or are discharged. I suppose the directors think they have a hold upon the company's servants if they keep a portion of the pay of the latter in hand. The operatives here have never made this a grievance, but still, I think, the practice is a wrong one, and should be remedied by legislation. I would recommend that the lower salaried operatives be paid twice a month, viz., on the 1st and 15th.

8. *Protection of Machinery.*—The engines and mill-gearing are all adequately fenced and so are the mule quadrants. The Buckingham and Carnatic Mills are provided with rope-drawing engines, while the "Madras United" and "Southern India" are spur-gearing. The Madras United Mill will soon be on the same footing as the former, having imported similar engines. Their new engine houses are now under construction.

9. The iron and cement works are very carefully conducted, and the safety and comfort of the hands employed duly provided for.

10. *Sanitation.*—All the mills have large latrines well ventilated. The dry-earth system is carried out in all these conveniences, and in each case there is a good supply of water.

11. In conclusion, I would recommend that the Act be modified in the following manner:—

(*a*) No adult person should be employed in any factory more than 12 hours in any one day.

(*b*) No person shall be employed in any factory on any day without an interval or intervals amounting in the whole to one hour being allowed to him for food and rest.

(*c*) That all mills be closed on Sundays and those days be considered as close holidays.

(*d*) That 20 days in the year be set apart as festival holidays for all classes employed in the mills, and that these days also be considered as close holidays.

(*e*) That the lower paid operatives be disbursed their wages once in 15 days and the others once a month.

(signed) *S. D. Simpson,*
Deputy Commissioner of Police and
Inspector of Factories.

A.

List showing the important Annual Feasts on which Holidays should be granted:—

	Day.
New Year's day	1
Pongal	2
Molagadi	1
Aroovatheemoor	1
Holee	1
Gokulastamee or Kristna Jayanthee	1
Koothba	1
Bukreed	1
Pilliar Chouthee or Belly God	1
Mahalia Amavasia	1
Moharum	1
Deepavallee	1
Ayuda Poojah	1
Karthigay Deepum	1
Mookotee Yakadasee	1
Tamil New Year's day	1
Telugu	1
Christmas	1

(signed) *S. D. Simpson,*
Deputy Commissioner of Police, and
Inspector of Factories.

From the Acting District Magistrate of Tinnevelly to the Chief Secretary to Government, dated Kuttálam, 14th August 1888, No. 1030.

WITH reference to G.O., No. 1477, dated 10th July 1888, Judicial, I have the honour to report that in this district the Indian Factories Act has been introduced in the taluks of Otapidáram and Ambásamudram. The Joint Magistrate and Head Assistant Magistrate report that the mills and engines are clean and properly fenced and the work-rooms properly ventilated. They further state that there is no complaint about the hours of work or the payment of wages, and that they would propose, therefore, no modifications in the direction of additional stringency in the Act.

2. From what I have seen at Pápanásam and Tuticorin I agree with the above opinions.

(signed *F. A. Nicholson*,
Acting District Magistrate.

From the Acting Head Assistant Magistrate, Kistna District, to the District Magistrate, Kistna, dated Bezváda, 7th August 1888, No. 100.

As directed in your endorsement 31st July 1888, No. 628, on G.O. dated 10th July 1888, No. 1477, I have the honour to report on the working of the Factory Act 1881.

2. The points required to be noticed are:—

(1) The long hours of work and few holidays.

(2) The occasional withholding of wages from hands.

(3) The incompetency of mill managers, the dangerous character of many mills, and the inadequate fencing of machinery.

(4) The ill-ventilated and filthy state of many work-rooms.

3. The number of hands on the registers of the Public Works Department workshop here (the only place in my division which comes under the Act), when I inspected it on the 6th instant, was as under:—

Males, adults	279
Children	7
Total	286
Of whom were present—	
Males, adults	244
Children	6
Total	250

4. The Act only limits the hours of work of children; these hours are altered from time to time, but the children always get an interval of an hour for meals and rest; they are never required to work overtime, and frequently are not working for the nine hours allowed by the Act. They are employed as bellows' boys, filers, and hammer boys, and are allowed all the native holidays as well as all Sundays in the month.

5. As regards the adults, they get holidays in the same way; when there is heavy work on hand they have to work overtime, but as they are bound by no contract of service they can come and go as they please, and, in fact, they occasionally go and work for private persons for a time and then come back. There is, therefore, no complaint on the ground of overwork or want of holidays.

6. With reference to the second point, I was assured that wages are never withheld, though the hands are fined occasionally for bad work, and of course pay is stopped for the days a man is absent without leave.

7. The Manager is the Executive Engineer of the Eastern Division, and, therefore, his competency may be taken for granted. As regards the inadequate fencing of machinery the large stationary engine of 20 H.P. is in a room by itself, the other stationary engine is fenced off by a railing. The dangerous parts of the fixed machinery lately put up are or soon will be fenced, sanction having lately been accorded to do so.

8. With reference to the fourth point, the work-rooms are large and sufficiently ventilated; they are kept clean, and there is a latrine in the yard for the use of the hands, which is cleaned out twice daily.

9. One accident only has occurred during the current year, and it was duly reported under Rule 22 of the Rules framed under Section 18 of the Factories Act, but this did not occur in the workshop premises. The accident was caused by the upsetting of a ballacút which had got washed up against the under sluices at the head of the main canal, a bridge lascar named Solamon was washed through the sluices and drowned.

10. I have no suggestions to offer for modifying the Act, and as far as the workshops here are concerned, no changes seem to be required.

(signed) *L. M. Wynch,*
Ag. Head Assistant Magistrate.

(No. 688.)

Endorsement on the above.

Forwarded to the Chief Secretary to Government, Judicial Department, with reference to G.O., No. 1477, dated 10th July 1888.

2. I concur with the Head Assistant Magistrate's opinion that as regards the Department of Public Workshop which is the only factory in this district falling under the Act, no change in the existing law is required.

3. This workshop being in charge of the Executive Engineer, it may be reasonably expected that the provisions of the Act are strictly attended to.

(signed) *A. T. Arundel,*
District Magistrate.

Masulipatam,
15 August 1888.

From the District Magistrate of South Arcot, to the Chief Secretary to Government, dated Villupuram, 17th August 1888, No. 62.

WITH reference to G.O., No. 1477, dated 10th July 1888, Judicial, I have the honour to state that in the only two factories in this district, viz., those at Nellikuppam and Tiruvennanallúr, the daily working hours range from 9 to 12 hours. The holidays given are the principal native holidays but not Sundays. It does not appear that the wages are unreasonably withheld.

2. There were four accidents in the factory at Nellikuppam, and two in that at Tiruvennanallúr. Only one out of these six proved fatal. This accident was due to the man's own fault, as he was doing work for which he had not been told off, and for which he was not fit. No blame, therefore, attached to those in charge of the factory. The machinery at Nellikuppam is properly fenced, and that at Tiruvennanallúr is not completely fenced. The two managers are thoroughly competent men.

3. The sanitary condition of the factory premises is fair, and the buildings are well ventilated.

4. It does not appear to me that the Indian Factories Act requires alteration so far as we are concerned.

(signed) *H. Sewell,*
District Magistrate.

From the General Duty Deputy Magistrate, and the Inspector of the Factory, Vizianagrum Division, to the District Magistrate, Vizagapatam, dated Vizianagrum, 13th August 1888, No. 101.

I HAVE the honour to submit the report called for in G.O., dated 10th July 1888, No. 1477, Judicial, in regard to the working of the Indian Factories Act, 1881.

2. The only factory under my supervision is the jute factory at Chittivalsa, belonging to Messrs. Arbuthnot and Co., and my remarks, therefore, will be confined to it.

3. The enclosed statement shows the number of holidays allowed to the labourers during the year, the number of working days and hours every month, and the earliest and latest time when work begins and closes every day. The figures given under the last two columns sometimes refer to different dates, but the difference is in no case more than ten minutes.

4. It will be seen from this statement that 16 holidays are allowed in the year on account of festivals, native and Christian, exclusive of Sundays, and a quarter holiday on each Saturday. The engine stops at 4.30 p.m. every Saturday. The total number of working days during the year is 297, and working hours 3,279, the average being 11 hours 2 minutes. The longest period worked is in June (12 hours 5 minutes), and the shortest in January (9 hours 52 minutes).

5. It will be seen from the last two columns of the statement that in January the work begins at 5.50 a.m., and continues till 5.50 p.m., while in June it begins at 5 a.m., and continues till 7.15 p.m. One and half * to two hours' recess is given in the mid-day between 12 to 2 o'clock every day for meals, and the balance represents the actual working period.

*12 to 1.30 p.m., from November to the end of March.
12 to 2 p.m., from April to the end of October.

6. I beg to strongly recommend that the working be restricted from 6 a.m. to 6 p.m. in all seasons, the recess in the mid-day being regulated by the owners of the factory according to the exigencies of the times. It is hard to make not only the labourers of various classes and degrees employed in the factory, but also the manager and his assistants work at this rate. It must tell upon their health in a few years and incapacitate them for further active service. I understand that there is light enough as early as 5 a.m., and so late as 7.15 p.m., in June to enable the labourers to get along with their work, but they must break down under this continued strain. I am assured by the manager of the factory that the light at 6 p.m., in January, is sufficient to enable the workmen to get along till that moment.

7. Wages are not ordinarily withheld for unpunctual attendance, nor for any frivolous causes. The owners of the factory treat the labourers with marked liberality and kindness. The latter present a much healthier aspect than the outside labourers, and they seem to lead a happy and contented life. They get on the whole 20 per cent. more wages than as day labourers. A child of over 12 years gets on an average Rs. 2-2-7 a month, whereas in the fields he would with great difficulty earn one rupee or its equivalent in grain. He is, further, not able to do this all the year round. The children (all certified to be over 12 years) whom I inspected in the factory told me that they would have been doing nearly nothing if they stayed at home.

8. The manager of the factory in question is a skilled European Engineer, and possibly not a word can be said against his competency to manage the mills. At any rate I am not myself competent to pass an opinion regarding his efficiency, but I have every reason to believe that the mills in question are in very safe hands. As regards the fencing of the machinery, there is nothing that can be desired in this factory, and all that is possible in the matter has been done—*vide* paragraph 9 of my report printed in G.O., dated 21st May 1887, No. 1090, Judicial.

9. The ventilation of the buildings is quite satisfactory. There are glass shutters at the top of the buildings which can be opened and closed at pleasure. The main blocks of the building, as also the adjacent rooms, are very well ventilated, and well kept. The latrines are continuously washed by the hot water escaping from the mills, and they are always kept clean.

10. Except in the matter of working hours, I have no suggestion to make. The Act does not seem to call for any modification. The rules are sufficiently elastic, and can be amended so as to suit the requirements of the different localities.

(signed) *V. Jagannadaha Row,*
Deputy Magistrate and Inspector of the Factory.

Enclosure.

MEMORANDUM showing Holidays, Number of Working Days and Hours at Chittivalsa Jute Factory in 1887.

Month and Date.	Number of Holidays, exclusive of Sundays.	Number of Working Days during the Month.	Number of Working Hours during the Month.	Earliest Time in which Work was commenced.		Latest Time in which Work was stopped.
January	3	23	227	5.50	to	5.50
February	1	23	248	5.45	to	6.10
March	1	26	289	5.35	to	6.45
April	1	25	278	5.15	to	6.50
May		26	297	5	to	7.05
June		26	314	5	to	7.15
July		26	306	5	to	7
August	1	25	295	5.05	to	6.55
September	2	24	265	5.15	to	6.45
October	1	25	265	5.25	to	6.25
November		26	275	5.35	to	5.50
December	6	21	220	5.45	to	5.55
TOTAL	16	297	3,279	—		—

Vizianagrum,
18 August 1888.

V. Jagannadaha Row,
Deputy Magistrate.

(No. 836.)

Endorsement on the above.

SUBMITTED to Government with reference to G.O., No. 1477, Judicial, dated 10th July 1888.

Vizagapatam,
18 August 1888.

(signed) *H. G. Turner,*
District Magistrate.

(Dated Madras, the 5th December 1888.)

From *D. Rasbotham*, Esq., Chairman, Chamber of Commerce, Madras, to the Secretary to the Government of India, Home Department.

IT will probably have been brought to the notice of His Excellency the Viceroy and Governor General in Council that, at a meeting of the Manchester Chamber of Commerce on the 5th ultimo, a resolution was carried by 38 votes against 28, "That, in view of the excessive hours of labour now worked in the cotton mills of British India, this Chamber recommends that the provisions of the British Factory Acts, so far as they relate to the employment of women, young persons and children, should be extended to and include the textile factories of India."

I have now the honour to state, for the information of the Government, that the Madras Chamber of Commerce desires to express its disapproval of the assertion by Manchester of a claim to have the labour of this country regulated by the labour in rivalry with it elsewhere. The agitation for the repeal of the import duties in India originated with the Manchester Chamber of Commerce, and it was remarked by the late Right Honourable H. Fawcett, that "no one will for a moment ever pretend to say that the idea would have been entertained of remitting these duties if the finances of India were administered in the interest of that country alone." With equal truth it may be stated that the proposed extension of British Factory Regulations to India is not prompted by disinterested concern for the well-being of Indian operatives. The success which rewarded the previous agitation was well calculated to encourage further interference with legislation in this country, such as would never be proposed with regard to Canada or Australia; and this Chamber apprehends that the opposition offered in Manchester to such interference is more likely to diminish than increase unless the Government of India takes an early opportunity of assuring the Secretary of State, that the assertions about the length and severity of hours of labour in this country are greatly exaggerated. The alleged desire "to lift up the poor people of India and to improve their condition" has so little to do with the demand for "justice" for the Indian operatives, that it may be eliminated from the consideration of the subject; whereas "dictates of jealousy," the wish "not so much to benefit a class in India as to recover the China market," "self-interest," the discovery that "competition in India was too severe," the "interest of Lancashire trade" and not "the interests of humanity" to which allusion was made at the meeting under notice, may be reasonably supposed to have exerted some influence on the supporters of the motion.

Relatively cheap labour may be regarded as a very valuable portion of India's capital, and though hours of work in Indian factories may seem to be long as compared with those in England, the hardship is more apparent than real. An Indian operative works in a far more leisurely manner, and machinery is driven at much slower speed than is tolerated in England; and, as to holidays, the workpeople in Madras mills have 30 fixed days in the year, and are in the habit of taking a good many more as soon as they have earned sufficient for their current domestic requirements. If the demands on labour and machinery were as exacting here as they are in England, there might be occasion for the Government to intervene in the manner proposed on behalf of the sufferers; but there is no occasion for the enforcement of regulations that have been demanded in England by conditions which have not been, and are not likely to be reproduced in this country. In saying this the Chamber does not wish to be understood as dissenting from the recommendations of the Bombay Factory Commission of 1885, especially as many of the evils in the Bombay mills and factories to which the Commission drew attention do not exist in Madras. The Chamber entertains the belief that, as regards accommodation, sanitation, ventilation, and general comfort, the Madras factories are not in need of further legislation; but if the recommendations of the Commission are adopted with certain modifications, in regard to Bombay, they should be made applicable to the whole of India. The Chamber, therefore, does not deprecate legislation on the subject; but it submits that such legislation should be guided, not by the desire to procure uniformity with similar legislation in England, so much as by an enlightened perception of what is conducive to the welfare of this country irrespective of the demands of competing interests.

STATEMENT of Accidents in Factories worked under the Indian Factories Act, 1881.

	Accidents.		Total.	Remarks.
	Fatal.	Otherwise.		
Madras - - - - - -	—	—	—	Number of accidents in the Presidency not reported.
Burma:				
1888 - - - - -	1	4	5	
Punjab - - - - - -	—	—	—	Accidents said to be rare. No returns submitted.
Central Provinces:				
1884 - - - - -	—	6	—	
1885 - - - - -	—	1	—	
1886 - - - - -	—	5	—	
1887 - - - - -	—	10	—	
1888 - - - - -	—	5	—	
TOTAL - - -	—	27	—	
Bengal - - - - - -	73	1,495	1,568	Number of accidents since the introduction of the Indian Factories Act.
Bombay:				
1883 - - - - -	8	219	—	
1884 - - - - -	7	327	—	
1885 - - - - -	8	360	—	
1886 - - - - -	15	424	—	
1887 - - - - -	7	438	—	
1888 - - - - -	8	278	—	
TOTAL - - -	53	2,046	2,099	
North-Western Provinces:				
1886 - - - -	4	76	80	
1887 - - - - -				

BENGAL REPORTS.

General Department.—Miscellaneous—No. 13OT—G.

Darjeeling, dated 10th November 1888; issued 10th November 1888.

From *P. Nolan*, Esq., Secretary to the Government of Bengal, to the Secretary to the Government of India, Home Department.

Sir,

I AM directed to acknowledge the receipt of Mr. Hewett's communications noted on the margin, in which, in connection with two Despatches therewith forwarded, a report is called for on the working of the Indian Factories Act in Bengal, with special reference to the several points alluded to by Her Majesty's Secretary of State for India.

No. 1036, dated 21st June 1888, and enclosure.
No. 1408, dated 28th August 1888, and enclosures.

2. In reply, I am to say that reports upon the subject have been received from the inspecting officers employed under the Act, who are all favourably impressed by what they have observed as to the manangement of factories in Bengal. A copy is appended of the Report submitted by Mr. Bolton, the officiating magistrate of the 24-Pergunnahs, who has considered the matter with evident care. The general tenour of the information laid before this Government is to the effect that in the 90 factories at present under supervision in Bengal the work of inspection is performed without obstruction, the sanitary arrangements and ventilation are good, and the machinery is well fenced. There is no complaint as to the treatment of labourers, wages are fair, according to the local standard, and the shift system introduced (under the orders of this Government) in all factories employing children has a salutary effect. The employment of women or children in factories where machinery is at work is not very common, and children are never required to work for more

more than four and a half hours at one time, and this period is succeeded by an hour's rest. In all factories Sunday is observed as a close holiday, and in some other holidays also are allowed. Accidents are invariably reported and inquired into with promptitude, attention being at the same time paid to the injured. There have been altogether 1,561 accidents since the introduction of Act XV. of 1881, and the appended statement shows the factories and the number of occurrences of the kind in each district.

3. Under these circumstances, the Lieutenant Governor does not consider that further legislative action in the direction contemplated is requied, so far as these provinces are concerned, nor does he deem any change in the arrangements for inspection necessary, as it appears that the duty has been satisfactorily performed by district magistrates.

I have, &c.
(signed) *P. Nolan,*
Secretary to the Government of Bengal.

STATEMENT of ACCIDENTS in FACTORIES since the Introduction of the FACTORIES ACT.

DISTRICT.	Number of Factories.	Number of Accidents.	Fatal.
Calcutta	8	68	1
24-Pergunnahs	32	753	43
Durbhunga	1	12	3
Dacca	6	Figures not furnished.	
Hooghly	5	99	—
Howrah	31	507	2
Midnapore	2	Figures not furnished.	
Monghyr	1	25	2
Bhagulpore	1	26	—
Rajshahye	1	2	—
Pubna	1	62	1
Rungpore	1	7	—
TOTAL	90	1,561	73

(No. 46MG, dated Calcutta, 25th September 1888.)

MEMORANDUM by the Commissioner of the Presidency Division.

COPY, with copy of Enclosure, forwarded to the Secretary to the Government of Bengal, in the General Department, with reference to his No. 1101, dated the 2nd July last. No remarks appear necessary.

(No. 718G, dated Alipore, 17th September 1888.)

From *C. W. Bolton,* Esq., Magistrate of the 24-Pergunnahs, to the Commissioner of the Presidency Division.

I HAVE the honour to submit the Report on the working of the Indian Factory Act, called for by the Government, a copy of whose Orders was received with your memorandum, No. 34MG, dated the 13th July last. In my letter, No. 627G, dated the 8th ultimo, I explained that there must be some delay in the

submission of the Report, as Mr. Holmwood, the joint magistrate, who had acted as inspector of factories for some time previously, had left on privilege leave, and having only recently taken charge of the district, I had, myself, no personal knowledge of the subject, and I stated that I intended to visit as many of the factories as possible before preparing the Report. I have since inspected 10 jute mills out of the 13 in the district, two cotton mills out of four, and one paper factory. These inspections have necessarily occupied much time, the heavy ordinary duties of the magistrate-collector of the district having rendered it impossible that they should be undertaken continuously within a brief period. The time at my disposal being limited, and the call for the Report urgent, I thought it advisable to devote my attention exclusively to the private factories, and mainly to the large jute mills. The Government factories, being under official supervision, may be assumed to require inspection less than those under private management. In almost all the factories which I have left unvisited, again, children are not employed. The total number of factories in this district, according to the definition in the Act, is at present 32, consisting of 13 jute mills, four cotton mills, one jute press, three Government military factories, two dockyards (one Government), one State railway factory, one silk factory, one shellac factory, one municipal workshop, the Army Clothing Depôt, one sugar-refining factory, the Calcutta Gasworks, one iron foundry, and one paper mill. Those employing children are, 13 jute mills, four cotton mills, one military factory, and the Army Clothing Depôt.

2. The Secretary of State's Despatch especially mentions four shortcomings in the working of the factories in Bombay, as reported by Mr. Jones, formerly inspector of factories of that presidency, and desires that reference should be made to them in the present Report. I proceed to state, with regard to each, the result of my inquiries during my recent inspections.

3. *Long Hours of Work and few Holidays.*—At all factories which I inspected the working hours are from daylight to dusk, or, speaking generally, from 6 a.m. to 6 p.m., and I believe that the same rule is observed in the other factories. The Titaghur Paper Mill alone works day and night, but I understand that this is the indispensable practice in all paper mills, and a double set of men is in consequence retained for the departments which must continue working during the night. I also found that a jute mill at Soorah, near Sealdah, belonging to native proprietors, had been working, for several weeks, up to about 10 p.m., but one of the proprietors informed me that this was due to a temporary emergency, and assured me that the hours observed at other mills would be adhered to in future. The number of hours during which the mills are working daily is about 12 (increasing sometimes to 13 according to the season), but the workpeople are individually employed for about nine hours only (rising sometimes to 10 during a portion of the year). They are divided into batches or shifts, and each shift obtains a break of three hours in the course of the day. The hands come in at daylight and work until 9 a.m. At that hour one-third leave, to return at noon, being replaced by an equal number coming in from outside; at noon another third leaving, returning at 3 p.m., and at that hour the remaining third who have been working since daylight leave together. The batches which work continuously for nine hours are that which, coming at dawn, leaves altogether at 3 p.m., and that which comes at 9 a.m. and works till 6 p.m. The shift system of working prevails in all jute and cotton factories, and the hours for changes here stated are those commonly observed. It is everywhere the practice not to require the hands to work continuously for more than six or seven hours. During these working hours, again, the hands are able occasionally to get brief intervals of relaxation, while the weavers, who work by the piece, may leave earlier if they have completed a fair amount of work for the day. The children shifts are the same as those of the adults, but they are allowed one hour's rest, as required by the Act, their actual working time being only eight hours. The work of shifters on which they are employed, moreover, enables them to obtain a few minutes' rest in every half-hour. Their duty is to remove the bobbins from the spinning-frames immediately they are filled, and replace them by empty ones. This occupies each batch from 18 to 20 minutes for the 10 or 12 frames allotted to it, and as refilling of the bobbins on each frame lasts from 25 to 30 minutes, the children have

have a clear interval of from 7 to 12 minutes before the shifting is resumed, this interval occurring throughout the day after each shifting is completed. The frames become ready for shifting one after the other, so that the number given to each batch can be shifted in succession, without any time being lost in waiting from the first to the last. The hours of work above mentioned do not appear excessive for either the adults or the children. The Act itself fixes nine hours as the maximum working time for children.

4. With regard to the holidays, the practice of all factories is to close on Sundays, on Christmas Day or New Year's Day, on one or two Mahomedan holidays, and for two, three, or four days during the Doorga Pooja. Moreover, since the establishment of the Indian Jute Manufacturers' Association, about two years ago, all jute mills except two, which have not joined the association, have worked for five days of the week only, remaining closed on Saturdays. The object of the association has been to reduce the outturn so as to ensure more remunerative prices, and the members are, I understand, well satisfied with the success obtained. It is obvious that while this rule continues in force no complaint can be made as to the number of holidays enjoyed by the mill hands. It is, indeed, probable that they themselves, being paid by the day, would prefer that the mills should not be closed on Saturdays throughout the year. Work is occasionally done on Saturday in some of the mills to make up for holidays, but the number of such days is very small. In other mills the Sundays and occasional holidays offer a fair amount of relaxation to the hands, and they are also sometimes permitted to absent themselves from work when they urgently require leave.

5. *Occasional withholding of Wages from Hands.*—It is not clear, from the Secretary of State's Despatch, whether Mr. Jones meant that the wages are withheld for a time only or entirely. The practice with regard to the payment of wages varies in the factories of this district. In some wages are paid on the last day of the week for the actual number of days during which the hands worked, and in others, when a hand has absented himself during a portion of the week, he is not paid until he has worked up the period of his absence, whether one day or more, in the following week. When, again, a hand is absent on the pay-day of the week, he is, in some factories, paid on the first day of the next week, while in others he is paid on the second or third day of the next weekly pay-day. It is also the practice in many of the factories to keep in hand a portion of the wages; that is, to pay on the pay-day, not the wages earned up to that date, but up to some previous day. Thus, in one mill the payment on Friday is for the week ending on the previous Tuesday, while in another it is for the week ending the previous Friday. In the one case three days', and the other, one week's wages are always kept in hand. In one cotton mill payment is made on the 15th of each month for the preceding month. In this case a fortnight's wages are kept in hand; but this is the only instance of more than a week's wages being retained which has come to my notice. Deductions from wages for bad work, damage to machinery, &c., do not appear to be frequently made, and the fines imposed are small. In two of the factories which I visited forfeiture of wages is incurred by leaving the factory altogether without notice, and it is possible that the same rule is enforced elsewhere. On the whole, the rules with regard to wages in the different factories appear to be legitimate and fair, and I am not aware of any complaint having been made by the workpeople. The practice of keeping a portion of the wages in hand is said by the mill managers to be necessary to ensure regular attendance, and practically no hardship is caused to the hands, as the amount kept back is small. Were any grievance involved in this and the other rules regarding wages, the millowners would, no doubt, have long since been compelled to make some modification, as the workpeople are unquestionably in a position to insist on proper treatment being accorded to them.

6. *Incompetency of Mill Managers, Dangerous Character of many Mills, and Inadequate Fencing of Machinery.*—There is, I am satisfied, no ground for complaint on any of these points in this district. All the factories which I have visited, except two, are under European management, and all the managers

appeared to me to be intelligent and practical men, well acquainted with their work. They have all had to serve in subordinate positions in Dundee or Indian mills before attaining the post of manager, and are thus men of undoubted experience. They are, besides, assisted by European engineers and mechanics in the various departments. In some of the mills it is also the practice for a member of the firm of agents to the company to undertake the direct supervision of the mill, by either residing on the premises or visiting it two or three times a week. Of the two mills not under European management, one is managed by a firm of Parsees, who employ a European engineer and a European mechanic, and the other is the mill at Soorah owned by native proprietors, already mentioned, which has a Eurasian manager who is an engineer by profession. The former appeared to me to be efficiently managed. The latter has only recently come into the hands of the present proprietors, and the management has not, I think, been as satisfactory as in European mills, but it is likely to improve. I have observed nothing dangerous in the mill buildings which I have visited, and the fencing of the machinery has everywhere been carefully attended to. The fencing is, I understood, similar to what is insisted on at home. In my recent inspections I had occasion to direct only two improvements to be made.

7. *Ill-ventilated and Filthy State of many Workrooms.* – Mr. Jones' observations are inapplicable to the factories of this district. A certain amount of dirt proceeding from the raw materials used is inevitable during the working hours, but I nowhere observed anything in the state of the workrooms which could be described as filthy. Ventilation I also found to be generally good, and in some cases excellent. The factory-rooms are usually large and high, and well furnished with doors, windows, and skylights. In one or two cases I suggested that greater attention should be given to ventilation, and a few more windows or skylights will do all that is needed.

8. With regard to the other remarks of Mr. Jones mentioned in the Secretary of State's Despatch, I would observe that he is right in stating that the holidays and their sequel are a cause of loss to millowners; that the mill hands are better off, better fed, better clothed, and better protected than ordinary native labourers; and that mill managers are ready to act on suggestions offered to them.

9. The information which I have given to you in the preceding paragraphs will, I think, sufficiently show that there is nothing in the present working of the factories which calls for an amendment of the Indian Factory Act in the direction of greater stringency. The hours of labour for both adults and children are not excessive. Work is not done on Sundays, and a few other holidays are allowed, and all the jute mills but two have for some time been working only five days of the week. The wages earned by the hands are good and constant. They are paid with regularity, and there is no hardship in the rules of the different factories with regard to the withholding of wages for a day or two, and keeping in hand of a few days' wages. The management of the factories is efficient, and the protection of the hands by fencing of the machinery adequate. The factory buildings and workrooms are spacious and well ventilated, and the workpeople undoubtedly enjoy far better air in them than in their own homes. Many factories also employ a resident native doctor, whose services are available to the hands, and some have lines in which hundreds of their hands obtain accommodation superior to what they would be able to secure in the adjacent villages. The men, women, and children working in the factories look, as a body, contented and healthy, and there is, I think, every desire on the part of millowners to treat them considerately. Self-interest alone would prompt the owners to secure the contentment of their hands, who, if dissatisfied, would have no difficulty in obtaining employment elsewhere. In the mills which I visited I found only 14 children altogether who were seven years of age on admission. There are many who were eight years of age, but the majority were nine or ten. The tendency is thus not to employ very young children. In many of the mills the resident native doctor certifies to the ages. I think it desirable that a "certifying surgeon," or the surgeon who attends on the European assistants, should be employed everywhere, and have drawn the attention

attention of the agents of the companies to the matter. I have no doubt that my recommendation will be accepted. For the reasons above stated no fresh legislation appears to me required at present in this province. Defects in the management of particular factories are generally rectified when pointed out by the inspector, and I believe that no need for greater powers than those given by the present Act has been felt.

10. With regard to the inquiry how the plan of placing the duty of inspecting factories in the hands of magistrates or Government engineers has answered, I have to remark that this duty has been performed here by the joint magistrate, that the inspections have been useful, and that no change appears necessary. The great drawback has been the frequent absence of a joint magistrate during the hot-weather season, owing to the scarcity of officers, and this has led to the making of fewer inspections than the rules require. There is, however, no other officer to whom the duty could be entrusted, and it is not necessary that a special officer should be appointed.

11. I annex a statement of all the accidents which have been reported since the introduction of the Act, year by year, showing the nature of each, by what part of machinery it was caused, to what it was due, and whether it resulted in a cure or death. It will be observed that in every case the accident has been attributed to carelessness, this information being taken from the manager's report. This is probably not correct; but there is no doubt that the great majority of the accidents are due to the carelessness of the workpeople themselves. The fencing is effective, and sufficient space is allowed between the different machines. Ordinary care would, therefore, prevent accidents. It would appear, however, from the very large number of injuries to the hands and fingers, that there is much rashness in handling the machines. Some of the accidents reported were, it will be observed, not caused by the machinery.

Year.	Name of Factory.	Nature of Accident.		By what Part of the Machinery it was Caused.		Cause of Accident, *i.e.*, Carelessness or otherwise.	Result, whether Loss of Limb, Death, or Cure.
1887-88	Budge-Budge Jute Mill.	Hand injured	6	Spinning frame	2	Carelessness	Cure.
		Head injured	1	Fall of a bamboo	1		
		Leg injured	1	Wheel in motion	2		
		Burn	1	Roller	1		
			9	Fall of a bale of jute	1		
				Not clearly described	2		
					9		
,,	Baranagore Jute Factory, Northern Division.	Fracture of hand	6	Not clearly described	3	Ditto	Cure.
		Fracture of leg	3	Wheel in motion	3		
			9	Roller	3		
				Spinning frame	1		
					10		
,,	Baranagore Jute Factory, Southern Division.	Hand injured	5	Fall of an iron bracket	1	Ditto	Cure.
		Head injured	1	Roller	1		
			6	Not clearly described	4		
					6		
,,	Kamarhatty Jute Factory.	Fracture of hand	5	Roller	1	Ditto	Cure.
				Spinning frame	1		
				Not clearly described	3		
					5		
,,	Cossipore Jute Warehouse.	Shock on the chest	1	Knocked down by a truck	1	Ditto	Cure.
,,	Cossipore Sugar Factory.	Arm twisted	1	Leather belting	1	Ditto	Death.
,,	Calcutta Hydraulic Press.	Hand injured	1	Not clearly described	1	Ditto	Death.

Year.	Name of Factory.	Nature of Accident.	By what Part of the Machinery it was Caused.	Cause of Accident, *i.e.*, Carelessness or otherwise.	Result, whether Loss of Limb, Death, or Cure.
1887-88	Clive Jute Mill -	Fingers injured - 2	Wheel in motion - - 1 Drawing machine - - 1 2	Carelessness	Death.
„	Bengal Mill, 42, Garden Reach.	Finger injured - - 3 Head injured - - 1 4	Not clearly described - 3 Fall of an iron rail - - 1 4	Ditto -	Death - 1 Cure - 3
„	Garden Reach Cotton Mill.	Fracture of finger - 2 Fracture of knee - 1 3	Carding machine - - 1 Spinning frame - - 1 Wheel in motion - - 1 3	Ditto -	Death - 1 Cure - 2
„	Hooghly Jute Mill -	Fracture of hand - 10 Fracture of knee - 1 Fracture of leg - 1 12	Breaking of a belt - - 1 Fall of a bale of jute - 1 Pinion - - - - 4 Spinning frame - - 1 Roving machine - - 1 Carding machine - - 2 Not clearly described - 2 12	Ditto -	Cure.
„	Ichapore Gunpowder Factory.	Finger cut - - 3 Eye injured - - 1 Hurt on back - - 1 Leg jammed - - 1 6	Wheel in motion - - 1 Fall of a bamboo - - 1 Fall of a block of wood - 1 Fall of a chopper - - 1 Fan - - - - 2 6	Ditto -	Cure.
„	Tittagore Jute Factory.	Hurt on wrist - - 2	Breaking of a belt - - 1 Not clearly described - 1 2	Ditto -	Death - 2
„	Gowripore Jute Mill	Contusion of abdomen 1 Arm injured - - 1 2	Fall - - - - 1 Softening machine - - 1 2	Ditto -	Cure.
„	Eastern Bengal State Railway, Kanchrapara.	Finger crushed - 3 Leg jammed - - 2 5	Struck by a belt - - 1 Jammed between two trucks - - - 1 A hammer - - - 1 Breaking of a spring 1 Cog-wheel - - - 1 5	Ditto -	Cure.
„	Government Dockyard, Kidderpore.	Hand injured - - 16 Leg injured - - 5 Eye hurt - - 1 Injury on shoulder - 1 Wound on the chest 2 25	Fall from a bridge - - 1 Slipping an iron plate, &c. 17 Punching machine - - 1 Wheel in motion - - 2 Slipping of a jute bale - 1 Fall of timber - - 1 Bursting of a copper plate 1 Fall - - - - 1 25	Ditto -	Death - 1 Cure 24

Year.	Name of Factory.	Nature of Accident.		By what Part of the Machinery it was Caused.		Cause of Accident, *i.e.*, Carelessness or otherwise.	Result, whether Loss of Limb, Death, or Cure.
1887-88	India General Steam Navigation.	Leg injured	7	Fall of an iron sheet	2	Carelessness	Cure.
				Breaking of a chain	1		
				Fall of a bar of iron	1		
				Fall of a bundle of rope	1		
				Fall	1		
				Not clearly described	1		
					7		
„	Strand Bank Hydraulic Press.	Injury on head	1	Hit by cover of a waggon	1	Ditto	Cure.
„	Foundry and Shell Factory.	Finger wounded	5	Fall from a wall	1	Ditto	Death - 1
		Injury on back	1	Fall of an iron bar	1		Cure - 10
		Fall from a wall	1	Wheel in motion	3		
		Leg injured	3	Slipping from a ladder	1		
		Injury on head	1	Fall of a piece of brass	1		
			11	Slipped	1		
				Fall of a plaster	1		
				Not clearly described	2		
					11		
„	Camperdown Pressing Company, Cossipore.	Finger injured	1	Fall of a drum of jute	1	Ditto	Cure.
		Waist injured	1	Fall from a ladder	1		
		Wrist injured	1	Fall	1		
			3		3		
„	Union Jute Mill, Sealdah.	Finger injured	9	Roller	2	Ditto	Cure.
		Lip cut	1	Belt	2		
		Head injured	1	Wheel in motion	1		
			11	Fall from a ladder	1		
				Not clearly described	5		
					11		
„	Baranagore Branch Jute Mill.	Hand injured	5	Fall from a staircase	1	Ditto	Cure.
				Roving machine	1		
				Caught by a strap	1		
				Winding machine	1		
				Wheel in motion	1		
					5		
„	Entally Workshop	Finger cut	1	Grinding machine	1	Ditto	Cure.
„	Small Arms Ammunition Factory, Dum-Dum.	Finger cut	1	Belt	1	Ditto	Cure.
		Leg injured	1	A bar	1		
			2		2		
„	Alipore Jail	Finger crushed	1	Driving wheel	1	Ditto	Cure.
„	Kamarhatty Jute Factory.	Hand injured	5	Jute softening machine	1	Ditto	Cure.
		Fracture of finger	3	Roller	1		
		Leg injured	1	Spinning frame	1		
			9	Wheel in motion	1		
				Pinion	2		
				Roving machine	2		
				Not clearly described	1		
					9		
„	Soorah Jute Mill	Finger injured	2	Carding machine	1	Ditto	Cure.
		Hand injured	3	Roving „	1		
			5	Wheel	2		
				Not clearly described	1		
					5		

Year.	Name of Factory.	Nature of Accident.		By what Part of the Machinery it was Caused.		Cause of Accident, *i.e.*, Carelessness or otherwise.	Result, whether Loss of Limb, Death, or Cure.
1887–88.	Budge-Budge Jute Mill.	Hand injured	6	Fall of a ball of jute	1	Carelessness	Death - 1
		Leg injured	2	Spinning machine	4		Cure - 9
		Face injured	1	Slipped	1		
		Eye injured	1	Struck by a beam	1		
			10	Belt breaking	1		
				Roller	1		
				Not clearly described	1		
					10		
„	Barranagore Jute Factory, Northern Division.	Finger injured	5	Roller	1	Ditto	Cure.
		Leg injured	1	Fly-wheel	1		
			6	Cog-wheel	1		
				Not clearly described	3		
					6		
„	Barranagore Jute Factory, Southern Division.	Fracture of arm	4	Loom	1	Ditto	Cure.
		Injury on head	1	Slipped and fell	2		
			5	Others	1		
					5		
„	Kamarhatty Jute Factory.	Finger injured	3	Not clearly described	3	Ditto	Cure.
„	Cassipore Jute Warehouse.	Crushed	1	Fall of a drum of jute	1	Ditto	Death.
„	Aehcroft Hydraulic Press.	Crushed	1	Fall of a bale of jute	1	Ditto	Cure.
1886–87	Watson Patent Press, Chitpore.	Fall from a roof	3	Fall from a roof	3	Ditto	Death - 3
„	Hooghly Press, Chitpore.	Injury on leg	1	Fall of a bale of jute	1	Ditto	Cure.
„	Bengal Silk Mill	Finger injured	1	Roller	1	Ditto	Cure.
„	Clive Jute Mill	Hand fractured	2	Roller	2	Ditto	Cure.
„	Bengal Mill, 42, Garden Reach.	Finger injured	3	Carding machine	3	Ditto	Cure.
„	Garden Reach Cotton Mill.	Finger injured	1	Roller of the spinning machine	1	Ditto	Cure.
„	Hooghly Jute Mill, 9, Garden Reach.	Finger injured	8	Pinion of spinning machine	6	Ditto	Cure.
				Loom	1		
				Roller	1		
					8		
„	Ichapore Gunpowder Factory.	Foot injured	1	Charcoal retort	1	Ditto	Cure.
		Hurt on wrist	1	Breaking of boiler	1		
		Hand injured	3	Angle irons	1		
			5	Fall of coal	1		
				Wheel	1		
					5		

Year.	Name of Factory.	Nature of Accident.		By what Part of the Machinery it was Caused.		Cause of Accident, *i.e.*, Carelessness or otherwise.	Result, whether Loss of Limb, Death, or Cure.
1886-87	Tillagore Jute Factory.	Hand injured	2	Wheel	3	Carelessness	Cure.
		Finger injured	2	Roller	1		
			4		4		
„	Gowripore Jute Mill	Hand injured	4	Loom	1	Ditto	Cure.
		Ankle injured	2	Fall of loose earth	1		
		Injury on head	1	Fall of a bale of jute	2		
		Lacerated wound	5	Belt	1		
			12	Piston	1		
				Others	6		
					12		
„	Government Dockyard.	Finger injured	9	Fall of a piece of iron	1	Ditto	Cure.
		Leg injured	6	Handle of a hammer	1		
		Ankle	2	Slipped and fell	2		
		Injury on head	1	Fall of an iron sheet	2		
		Head injured	8	Chisel	1		
			26	Edge of hammer	1		
				Fall of planks	4		
				Bolt	1		
				Fall	11		
				Hot irons	1		
				Not clearly described	1		
					26		
„	India General Steam Navigation Company's Factory.	Crushed	1	By a boiler	1	Ditto	Cure.
„	Foundry and Shell Factory.	Hand injured	2	Saw	1	Ditto	Cure.
		Foot injured	1	Fall of a box	1		
			3	Fall of a piece of wood	1		
					3		
„	Union Jute Mill	Finger injured	8	Roving wheel	5	Ditto	Cure.
		Leg injured	1	Gearing machine	1		
			9	Pulley	1		
				Carding machine	2		
					9		
„	Barranagore Branch Factory.	Hand injured	2	Slipped and fell	1	Ditto	Cure.
		Leg injured	1	Cut by glass	1		
		Head injured	1	Roller	1		
			4	Not clearly described	1		
					4		
„	Entally Workshop	Finger injured	2	Wheel	1	Ditto	Cure.
				Fall of a piece of wood	1		
					2		
„	Small Arms Ammunition Factory, Dum-Dum.	Hand injured	2	Roving cutter	1	Ditto	Cure.
				Boiler cock	1		
					2		
„	Alipore Jail	Finger injured	1	Pinion of roving machine	1	Ditto	Cure.
		Arm injured	1	Ladder slipped	1		
			2		2		

Year.	Name of Factory.	Nature of Accident.		By what Part of the Machinery it was Caused.		Cause of Accident, *i.e.*, Carelessness or otherwise.	Result, whether Loss of Limb, Death, or Cure.
1886–87	Kankurah Jute Factory.	Hand injured - -	5	Wheel - - - -	1	Carelessness	Cure.
		Leg injured - -	1	Roller - - - -	1		
			6	Fall of a bale of jute -	1		
				Winding machine - -	1		
				Others - - - -	2		
					6		
,,	Victoria Press - -	Leg broken - -	1	Fall of a bale of jute -	1	Ditto -	Death.
1885–86	Budge-Budge Jute Mill.	Finger injured - -	4	Drawing machine - -	4	Ditto -	Cure.
		Thumb injured - -	1	Carding ditto - -	1		
		Thigh injured - -	1	Slipped and fell - -	1		
		Abdomen injured -	1	Wheel - - - -	1		
			7		7		
,,	Baranagore Jute Factory, Northern Division.	Finger cut - -	4	Belt - - - -	1	Ditto -	Cure.
		Shoulder dislocated -	1	Wheel - - - -	1		
			5	Cutting machine -	1		
				Cog-wheel - - -	2		
					5		
,,	Baranagore Jute Factory. Southern Division.	Finger injured - -	1	Roller - - - -	1	Ditto -	Cure.
		Hand fractured -	1	Belt - - - -	1		
		Injury on head -	1	Wheel - - - -	1		
			3		3		
,,	Ralli Brothers' Jute Warehouse.	Leg injured - -	1	Fall of a bale of jute -	1	Ditto -	Cure.
,,	Kamarhatty Jute Mill	Thumb fractured -	1	Roller - - - -	2	Ditto -	Death - 1
		Hand lacerated -	1	Calender - - -	1		Cure - 2
		Foot lacerated -	1		3		
			3				
,,	Garden Reach Cotton Mill.	Hand wounded -	2	Wheel - - - -	1	Ditto -	Death - 1
		Head wounded -	1	Roving machine - -	1		Cure - 2
			3	Spinning do. - -	1		
					3		
,,	Gouripore Jute Mill -	Hand injured - -	6	Fall of a bale of jute -	1	Ditto -	Cure.
		Finger injured - -	4	Calender - - -	1		
			10	Roller - - - -	1		
				Slipped and fell - -	1		
				Wheel - - - -	1		
				Shaft - - - -	1		
				Press - - - -	1		
				Others - - - -	3		
					10		
,,	India Government Dockyard.	Finger crushed - -	3	Fly-wheel - - -	1	Ditto -	Cure.
				Fall of a sheet of iron -	1		
				Hammer - - -	1		
					3		
,,	India General Steam Navigation Company.	Leg injured - -	1	Falling of a piece of iron	1	Ditto -	Cure.
		Elbow injured - -	1	Not clearly described -	1		
			2		2		

Year.	Name of Factory.	Nature of Accident.		By what Part of the Machinery it was Caused.		Cause of Accident, *i.e.*, Carelessness or otherwise.	Result, whether Loss of Limb, Death, or Cure.
1885-86	Bengal Mill - -	Finger injured -	2	Carding machine -	3	Carelessness	Cure.
		Arm injured -	4	Fall of a beam -	1		
			6	Roller - - -	1		
				Not clearly described	1		
					6		
„	Foundry and Shell Factory.	Arm injured -	4	Slipped and fell -	2	Ditto -	Cure.
		Foot injured -	4	Fall of an iron plate	1		
		Wound on back -	1	Pinion - - -	1		
			9	Crane - - -	1		
				Clearing machine -	1		
				Grinding ditto -	1		
				Belt - - -	2		
					9		
„	Union Jute Mill -	Hand injured -	5	Iron frame - -	1	Ditto -	Cure.
		Finger injured -	3	Wheel - - -	3		
			8	Roller - - -	1		
				Others - - -	3		
					8		
„	Baranagore Branch Mill, Sealdah.	Hand injured -	2	Roller - - -	1	Ditto -	Cure.
				Loom - - -	1		
					2		
„	Oriental Gas Works -	Hand injured -	1	Not clearly described	1	Ditto -	Cure.
„	Eastern Bengal State Railway Workshop, Kanchrapara.	Leg injured -	2	Fall - - -	1	Ditto -	Cure.
		Injury on head -	1	Others - - -	3		
		Finger injured -	1		4		
			4				
„	Small Arms Ammunition Factory, Dum-Dum.	Ankle broken - -	1	Hand burned by signal rocket - - -	1	Ditto -	Cure.
		Hand injured by burning -	1	Fall of loaded box -	1		
			2		2		
„	Ichapore Gunpowder Factory.	Finger injured -	5	Wheel - - -	2	Ditto -	Cure.
		Wound on back -	1	Spinning of a barrel -	4		
		Injury on leg - -	1	Spinning of a timber -	1		
		Head - - -	3	In boiler room -	1		
				Fall - - -	1		
				Not clearly described -	1		
			10		10		
„	Alipore Jail - -	Wound on head -	1	Spinning frame - -	1	Ditto -	Cure.
		Finger cut - -	1	Not clearly described -	1		
			2		2		
„	Garden Reach Foundry.	Head injured - -	1	Not clearly described -	1	Ditto -	Cure.
„	Hooghly Jute Mill -	Hand injured -	5	Roving machine - -	2	Ditto -	Death - 1
				Softener - - -	1		Cure - 4
				Belt - - -	1		
				Pinion - - -	1		
					5		

YEAR.	Name of Factory.	Nature of Accident.		By what Part of the Machinery it was Caused.		Cause of Accident, *i.e.*, Carelessness or otherwise.	Result, whether Loss of Limb, Death, or Cure.
1885–86	Kankaarah Jute Mill	Injury on right side	1	Belt	1	Carelessness	Death - 1 Belt struck on right side.
"	Chitpore Hydraulic Press.	Head injured	1	Fall of a bale of jute	1	Ditto	Death - 1
"	Camperdown Pressing Company.	Leg injured	1	Fall of a bale of jute	1	Ditto	Cure.
			27				
1884–85	Budge-Budge, Jute Mill.	Fracture of leg	1	Spinning frame	1	Ditto	Cure.
		Hand crushed	1	Roller	2		
		Finger cut	1		3		
			3				
"	Baranagore Jute Mill, Northern Division.	Fracture of arm	14	Belt	3	Ditto	Death - 1 Cure 18
		Fracture of finger	4	Roller	4		
		Thumb smashed	1	Calender machine	1		
			19	Wheel	4		
				Slipped and fell	1		
				Roving machine	4		
				Others	2		
					19		
"	Baranagore Jute Mill, Southern Division.	Fracture of arm	4	Roving machine	1	Ditto	Cure.
				Struck by a shuttle	1		
					2		
"	Kamarhatty Jute Mill	Finger lacerated	5	Winding machine	1	Ditto	Death - 1 Cure - 5
		Fracture of arm	1	Cylinder	1		
			6	Others	4		
					6		
"	Clive Jute Mill	Arm fractured	2	Wheel	2	Ditto	Cure.
		Finger fractured	1	Pinion	1		
			3		3		
"	Garden Reach Mill	Injury on arm	1	Fall of a beam	1	Ditto	Cure.
		Injury on finger	1	Not clearly described	1		
			2		2		
"	Shamnagore Jute Factory.	Injury on head	1	Not clearly described	1	Ditto	Death - 1
"	Gouripore Mill	Wound on hand	4	Wheel	2	Ditto	Cure.
		Wound on leg	2	Belt	2		
			6	Others	2		
					6		
"	Government Dock-yard.	Hand injured	2	Breaking of a bar	1	Ditto	Cure.
		Finger injured	9	Slipping of a beam	1		
			11	Slipping of an iron plate	4		
				Others	5		
					11		

Year.	Name of Factory.	Nature of Accident.		By what Part of the Machinery it was Caused.		Cause of Accident, i.e., Carelessness or otherwise.	Result, whether Loss of Limb, Death, or Cure.
1884–85.	India General Steam Navigation Company's Factory.	Finger fractured	1	Fall of a piece of iron	1	Carelessness.	Cure.
„	Strand Bank Hydraulic Press.	Injury on foot	1	Roller	1	Ditto	Cure.
		Hand cut	1	Not clearly described	1		
			2		2		
„	Bengal Mills, 42, Garden Reach.	Hand injured	4	Roller	2	Ditto	Death - 1
		Finger injured	1	Carding machine	1		Cure - 4
			5	Others	2		
					5		
„	Foundry and Shell Factory, Cassipore.	Arm wounded	2	Belt	1	Ditto	Cure.
				Wheel	1		
					2		
„	Union Jute Mill	Finger injured	5	Slipped and fell	1	Ditto	Death - 1
		Injury on head	1	Roller	2		Cure - 9
		Injury on leg	2	Spinning frame	3		
		Arm	1	Fall	1		
		Wound on back	1	Pulley	1		
			10	Fall of a bale of jute	1		
				Not clearly described	1		
					10		
„	Baranagore Branch Mill, Sealdah.	Finger smashed	3	Roving machine	1	Ditto	Cure.
		Leg hurt	1	Drawing machine	1		
			4	Fall of a box	1		
				Wheel	1		
					4		
„	Asiatic Jute Mill	Finger cut	1	Wheel	1	Ditto	Cure.
„	Locomotive Railway Workshop, Kanchrapara.	Leg injured	2	Spinning frame	3	Ditto	Cure.
		Hand injured	4	Wheel	2		
		Eye injured	1	Others	2		
			7		7		
„	Small Arms Ammunition Factory, Dumdum.	Hand injured	2	Cog-wheel	1	Ditto	Cure.
		Finger injured	1	Others	2		
			3		3		
„	Ichapore Gunpowder Factory.	Leg injured	4	Fall of a plate	1	Ditto	Cure.
		Arm injured	1	Trolly	2		
		Hurt on back	1	Others	3		
			6		6		
„	Alipore Jail	Finger injured	3	Not clearly described	3	Ditto	Cure.
„	Entally Workshops (Municipal).	Finger injured	1	Wheel	1	Ditto	Cure.
		Head injured	1	Not clearly described	2		
		Ankle injured	1		3		
			3				
„	Baboo Kirti Chandra Mitter's Press, Chitpore.	Injury on head	1	Fall	1	Ditto	Death - 1
„	Hooghley Jute Mill	Hand injured	9	Belt	1	Ditto	Cure.
		Finger injured	2	Drawing	3		
			11	Machinery loom	1		
				Spinning	2		
				Others	4		
					11		

Year.	Name of Factory.	Nature of Accident.		By what Part of the Machinery it was Caused.		Cause of Accident, *i.e.*, Carelessness or otherwise.	Result, whether Loss of Limb, Death, or Cure.
1883–84.	Budge-Budge Jute Mill.	Finger injured -	2	Roller - - - -	1	Carelessness	Cure.
		Wrist injured - -	1	Wheel - - - -	1		
				Not clearly described -	1		
			3		3		
„	North Baranagore Jute Mill.	Hand injured - -	4	Fall of a bale of jute -	1	Ditto -	Death - 2
		Finger injured -	6	Slipped and fell - -	2		Cure 13
		Wound on head -	3	Cog-wheel - - -	4		
		Wound on leg - -	2	Wheel - - - -	2		
				Roller - - - -	3		
			15	Loom - - - -	1		
				Others - - - -	2		
					15		
„	South Baranagore Jute Mill.	Finger injured -	6	Saw - - - -	1	Ditto -	Cure.
		Hurt on knee - -	1	Cog-wheel - - -	3		
				Fall of jute bale - -	1		
			7	Spinning frame - -	1		
				Not clearly described -	1		
					7		
„	Ralli Brothers Jute Warehouse.	Hurt on head - -	1	Not clearly described -	1	Ditto -	Cure.
„	Kamarhatty Jute Mill	Finger injured -	6	Binding machine - -	1	Ditto -	Cure.
		Leg injured - -	1	Wheel - - - -	2		
		Hand injured - -	2	Roller - - - -	2		
				Handle of winch - -	1		
			9	Spinning frame - -	2		
				Not clearly described -	1		
					9		
„	Empress India Cotton Mill.	Hurt on back - -	1	Spinning machine - -	1	Ditto -	Cure.
„	Bengal Silk Mill -	Hand injured - -	1	Wheel - - - -	1	Ditto -	Cure.
„	Clive Jute Mill -	Neck injured - -	1	Drawing frame - -	1	Ditto -	Death - 1
		Forearm cut - -	1	Fall of bale of jute - -	1		Cure - 1
			2		2		
„	Garden Reach Cotton Mill, No. 22.	Finger injured -	2	Carding machine - -	1	Ditto -	Cure.
		Wound on breast -	1	Pinion of machine - -	2		
		Hand injured - -	1	Piston rod - - -	1		
			4		4		
„	Cossipore Sugar Factory.	Injury on head -	2	Shaft - - - -	1	Ditto -	Death - 1
				Struck by a door - -	1		Cure - 1
					2		
„	Gouripore Mills -	Finger injured -	3	Belt - - - -	4	Ditto -	Cure.
		Hand injured - -	4	Loom - - - -	1		
		Fracture of ribs -	1	Roving frame - -	1		
				Grinding machine - -	1		
			8	Wheel - - - -	1		
					8		
„	Government Dockyard.	Injury on arm -	3	Struck by an iron plate -	1	Ditto -	Cure.
				Belt - - - -	1		
				Not clearly described -	1		
					3		

Year.	Name of Factory.	Nature of Accident.		By what Part of the Machinery it was Caused.		Cause of Accident, *i.e.*, Carelessness or otherwise.	Result, whether Loss of Limb, Death, or Cure.
1883-84	India General Steam Navigation Company's Factory.	Neck injured	1	Slipping of a new steamer	1	Carelessness	Death - 1
,,	Bengal Mill, 42, Garden Reach.	Finger injured	3	Spinning machine	1	Ditto	Cure.
		Thumb injured	1	Pinion	1		
			4	Carding machine	2		
					4		
,,	Foundry and Shell Factory.	Finger injured	1	Screw of a lathe	1	Ditto	Cure.
		Leg injured	2	Starting lever	1		
			3	Fall of a piece of iron	1		
					3		
,,	Union Jute Mill	Hand injured	8	Wheel	4	Ditto	Death - 1
		Finger injured	6	Roving machine	3		Cure 16
		Leg injured	1	Roller	3		
		Cheek injured	1	Spinning machine	1		
		Head injured	1	Flyers	1		
			17	Falling into hot water	1		
				Softening machine	1		
				Slipped and fell	1		
				Others	2		
					17		
,,	Baranagore Branch Mill.	Thumb jammed	1	Roving machine	3	Ditto	Cure.
		Hand	2	Fall	1		
		Finger	3	Others	2		
			6		6		
,,	Oriental Gas Works	Cut on the chin	1	Fall	1	Ditto	Cure.
,,	Asiatic Jute Mill	Body burnt	1	Fire arising from friction of a roving frame	1	Ditto	Cure.
		Hand injured	2	Softener	1		
		Hand fractured	1	Driving wheel	1		
			4	Roving machine	1		
					4		
,,	Small Arms Ammunition Factory, Dum-Dum.	Finger injured	3	Lathe	1	Ditto	Cure.
				Explosion	1		
				Fall of a piece of machinery	1		
					3		
,,	Ichapore Gunpowder Factory.	Hand injured	5	Scales	1	Ditto	Death - 1
		Leg injured	4	Wheel	2		Cure 17
		Finger injured	9	Chopper	1		
			18	Fall	2		
				Breaking of glass	1		
				Fall of a bamboo	1		
				Slipped and fell	1		
				Slipping of a board	2		
				Gland	1		
				Barrel	2		
				Spindle	1		
				Slipping of a plank	1		
				Knocked down by a bullock	1		
				Not clearly described	1		
					18		
,,	Alipore Jail	Hand injured	2	Belt	1	Ditto	Cure.
,,	Municipal Workshop, Entally.	Head injured	1	Slipping of the handle of a crab-winch	1	Ditto	Cure.
		Thumb injured	1	Fall of a chimney	1		
			2		2		

Year.	Name of Factory.	Nature of Accident.		By what Part of the Machinery it was Caused.		Cause of Accident, i.e., Carelessness or otherwise.	Result, whether Loss of Limb, Death, or Cure.
1883–84	Hooghly Jute Mill -	Hand injured - -	2	Roller - - - -	1	Carelessness	Death - 1
				Roving Machine - -	1		Cure - 1
					2		
1882–83	Budge-Budge Jute Mill.	Joint dislocated -	1	Crushed by a bale of jute	1	Ditto -	Cure.
		Body crushed - -	1	Not clearly described -	1		
			2		2		
,,	Baranagore Mill, Southern Division.	Finger injured -	18	Crank - - - -	1	Ditto -	Death - 1
		Injury on leg - -	1	Winding machine - -	1		Cure 18
			19	Boiling water - -	1		
				Wheel - - - -	3		
				Spinning frame - -	4		
				Loom - - - -	1		
				Flyers - - - -	1		
				Others - - - -	7		
					19		
,,	Baranagore Mill, Northern Division.	Finger injured -	4	Wheel - - - -	3	Ditto -	Cure.
		Leg injured - -	1	Cylinder - - -	1		
			5	Fall of a piece of iron -	1		
				Fall - - - -	1		
				Spinning frame - -	1		
				Driving machine - -	1		
				Cog-wheel - - -	1		
				Others - - - -	6		
					15		
,,	Ralli Brothers Jute Warehouse.	Hand injured - -	2	Fall of a bale of jute -	1	Ditto -	Death - 1
		Head - - -	1	Others - - - -	2		Cure - 2
			3		3		
,,	Kamarhatty Jute Mill	Hand injured - -	3	Roller - - - -	3	Ditto -	Death - 1
		Finger injured - -	1	Others - - - -	4		Cure - 6
		Leg injured - -	3		7		
			7				
,,	Bengal Silk Mill -	Arm injured - -	2	Carding machine - -	1	Ditto -	Cure.
		Thumb injured -	1	Others - - - -	2		
			3		3		
,,	Clive Jute Mill -	Loss of finger - -	1	Not clearly described -	1	Ditto -	Cure.
,,	Garden Reach Mill -	Hand injured - -	2	Roller - - - -	2	Ditto -	Cure.
		Finger injured - -	2	Calender - - -	1		
			4	Not clearly described -	1		
					4		
,,	Shamnagore Jute Factory.	Leg hurt - -	1	Not clearly described -	1	Ditto -	Death - 1
,,	Cossipore Sugar Factory.	Leg injured - -	1	Wheel in motion - -	2	Ditto -	Cure.
		Injury on back -	2	Cog-wheel - - -	1		
			3		3		
,,	Gouripore Jute Mill -	Foot injured - -	3	Carding machine - -	1	Ditto -	Cure.
		Ribs injured - -	1	Belt - - - -	1		
		Finger injured -	1	Wheel - - - -	1		
			5	Roving machine - -	2		
					5		

Year.	Name of Factory.	Nature of Accident.		By what Part of the Machinery it was Caused.		Cause of Accident, *i.e.*, Carelessness or otherwise.	Result, whether Loss of Limb, Death, or Cure.
1882-83	Strand Bank Hydraulic Press.	Injury on person	1	Not clearly described	1	Carelessness	Cure.
"	Foundry and Shell Factory.	Foot injured	1	Roller	1	Ditto	Cure.
		Finger injured	1	Drilling machine	1		
		Wound on Thumb	2	Not clearly described	2		
			4		4		
"	Union Jute Mill	Hand injured	20	Wheel	3	Ditto	Death - 1
				Belt	4		Cure 19
				Roller	3		
				Shaft	1		
				Pulley	2		
				Fall of a piece of iron	1		
				Drawing machine	1		
				Spinning frame	1		
				Trolly	1		
				Others	3		
					20		
"	Baranagore Branch Mill, Sealdah.	Hand injured	6	Carding machine	2	Ditto	Death - 2
		Leg injured	2	Spinning machine	1		Cure - 6
			8	Loom	1		
				Knocked down by a waggon	1		
				Others	3		
					8		
"	Asiatic Jute Mill	Hand injured	2	Wheel	1	Ditto	Cure.
		Body injured	1	Belt	1		
			3	Not clearly described	1		
					3		
"	Small Arms Ammunition Factory, Dum-Dum.	Finger injured	1	Not clearly described	1	Ditto	Cure.
"	Ichapore Gunpowder Factory.	Finger injured	2	Slipped and fell	1	Ditto	Cure.
		Lip hurt	1	Hurt by a falling barrel	2		
			3		3		
"	Alipore Jail	Finger injured	9	Roller	2	Ditto	Cure.
				Spinning frame	2		
				Wheel	2		
				Others	3		
					9		
"	Entally Municipal Workshop.	Leg injured	2	Not clearly described	4	Ditto	Cure.
		Finger injured	2				
			4				
"	Hydraulic Press, Chitpore.	Crushed	1	Fall of a wooden arch	1	Ditto	Death.

1881-82.

THERE were 41 accidents in 1881-82, of which three were fatal. Details cannot be given, as no accident register had been opened in that year.

C. W. Bolton, Magistrate.

PUNJAB REPORTS.

(No. 1454.)

From *C. L. Tupper*, Esq., Officiating Secretary to Government, Punjab and its Dependencies, to *A. P. MacDonnell*, Esq., C.S.I., Secretary to the Government of India, Home Department.

Home.—General.

Sir, 29 October 1888.

I AM directed to acknowledge the receipt of your endorsements noted in the margin, with which you forwarded copies of despatches from the Secretary of State for India, and asked for a report on the working of the Indian Factories Act.

No. 1038, dated the 21st June 1888.
No. 1410, dated the 28th August 1888.

2. In reply, I am desired to forward, for the information of the Government of India, a copy of the reports* received from the Commissioners of Lahore, and Ráwalpindi, and to say that there are no factories within the meaning of Section 2 of the Indian Factories Act in the other divisions of the province. The Deputy Commissioners of Gurdáspur and Jhelum have been directed to expedite the reports which are still due from them; and their reports, when received, will be forwarded for information in continuation of this letter.

* Commissioner Lahore's No. 365, dated 11th September 1888, and enclosures.
Commissioner Ráwalpindi's No. 2443, dated 11th September 1888, and enclosure.

3. There are at present very few factories within the meaning of the Act in the Punjab, and the system of appointing magistrates of districts to be inspectors of factories has hitherto worked well in this province. Magistrates of districts will be reminded of the duties imposed on them by the rules under the Act published with the notification of this Government, No. 998—4660, dated the 24th September 1883. Mr. Nicholl, the Secretary of the Municipal Committee of Amritsar, in his report (which forms one the enclosures of the Commissioner of Lahore's letter) suggests the appointment of one or more inspecting mechanics for the province. This suggestion appears to the Lieutenant Governor to be a good one, and the Commissioners of Lahore and Ráwalpindi will be asked to communicate with the Director of the North Western Railway and report whether they consider its adoption practicable and desirable.

4. His Honour desires me to add, that he does not consider it necessary, so far as this province is concerned, to modify the Act in the direction of stringency, or to legislate for the restriction of the hours of labour in the case of women and children, or for requiring managers of factories to grant one holiday in every seven days. In the Punjab there is at present no danger of factory hands being overworked or not getting a sufficient number of holidays. Managers of factories would find it impossible to deal harshly in these respects with their employés, and would certainly fail to get labour if they attempted to do so.

5. No return of accidents has been submitted by local officers as required by the Secretary of State, but the reports now furnished show that accidents have been very rare, and in such a province as the Punjab, probably further particulars will not be required. The Lieutenant Governor has no reason to suppose that the faults specially noted by Mr. Jones, in some of the Bombay factories, exist in the Punjab factories mentioned in the present reports, which appear, on the whole, to be well managed.

I have, &c.
(signed) *C. L. Tupper*,
Officiating Secretary to Government, Punjab.

(No. 365, dated 11th September 1888.)

From *C. M. Rivaz*, Esq., Officiating Commissioner and Superintendent, Lahore Division, to the Under Secretary to Government, Punjab.

In reply to your endorsement No. 1050, dated the 16th July last, calling for reports on factories falling within the definition given in Section 2 of the Indian Factories Act, 1881, I have the honour to submit copies of the letters, noted in the margin, from the Deputy Commissioners of Mooltan, Lahore and Amritsar, and to state that there are no such factories in the Jhang and Montgomery Districts.

Mooltan, No. 459 of 24th August 1888.
Lahore, No. 362 of 30th July 1888.
Amritsar, No. 276 of 6th August 1888.

The Deputy Commissioner of Gurdáspur states that he will submit his report after he has had an opportunity of inspecting the factories in his district during his next winter tour.

(No. 459, dated 24th August 1888.)

From Major *A. de C. Rennick*, Officiating Deputy Commissioner, Mooltan, to the Commissioner and Superintendent, Lahore Division.

With reference to No. 1050, dated 16th July last, from the Under Secretary to Government, Punjab, forwarded with your Circular No. 133, dated 17th July 1888, for report, I have the honour to state that there are six factories in this place. The buildings, though unpretentious, contain large and airy rooms, and the machinery is well protected. None of them employ more than 60 hands at a time. The average hours of labour per man per week is 38. No accidents have been known to occur amongst the hands since they had been established in 1883.

In conclusion, these factories are cotton-ginning presses, and do not fall within the definition given in Section 2 of Act XV. of 1881.

(No. 362, dated 30th July 1888.)

From *W. O. Clark*, Esq., Deputy Commissioner, Lahore, to the Commissioner and Superintendent, Lahore Division.

I have the honour to reply to your Circular No. 133, dated 17th July 1888. There are only two factories as defined in Section 2 of the Factories Act in this district, the railway workshop and Messrs. Robson's factories.

Both these factories have roomy and well-ventilated workrooms, have moderate hours of work, and are well-looked after and managed under European supervision.

Accidents in the railway workshop are promptly reported, with the result of the departmental investigation into the cause of the accident. Necessity seldom asks for any further investigation.

(No. 276, dated 6th August 1888.)

From Lieutenant-Colonel *R. T. M. Lang*, Deputy Commissioner, Amritsar, to the Commissioner and Superintendent, Lahore Division.

With reference to your Circular No. 133, dated 17th ultimo, forwarding for opinion Punjab Government endorsement No. 1050 of the 16th idem, and enclosures, relating to the working of the Factories Act, XV. of 1881, in this district, I beg to forward copy of a letter No. 726, dated 3rd instant, from the Secretary, Municipal Committee, Amritsar.

(No. 726, dated 3rd August 1888.)

From the Secretary, Municipal Committee, Amritsar, to the Deputy Commissioner, Amritsar.

In reply to your Memorandum No. 182, dated 30th July, forwarding for opinion Commissioner's Circular 133, dated 17th idem, and enclosures, relating to the working of the Factories Act, XV. of 1881, in this district, I have the honour to state that there are at present in this district four factories as defined in Section 2 of the Act, namely:

1. A flour and rice mill.
2. A flour and oil mill.
3. A cotton-ginning mill.
4. A compressed fodder factory.

All are worked by steam power.

2. These factories have only recently been constructed, and so far no interference or action on the part of the magistrate of the district, who is *ex-officio* inspector, has been necessary, nor have any complaints been made by workmen.

3. Each factory is in charge of a competent mechanic, and the buildings are substantial and well ventilated.

4. I would take this opportunity of making a proposal which I have had in my mind for a long time, and that is that Government be moved to appoint one or more inspecting mechanics for the province, and that the inspection of these officers should not be confined to the factories defined in the Act, but to all machinery worked by steam.

Steam as a motor is now more largely used than it was a few years ago, and there is every likelihood of its use increasing.

Steam engines are employed by the Department Public Works, municipalities and private persons.

The care of the engines and boilers is usually entrusted to a native on a small salary, whose knowledge is very limited, and who, unless carefully supervised, is likely to endanger the lives of people by the bursting of a boiler. I therefore think that, in the interests of the public safety, one or more mechanics holding Board of Trade certificates should be appointed under Section 3 of the Act by Government for the province.

There are, I have no doubt, many competent men employed by the different railways whose services could from time to time be made available for the work of inspecting.

5. It is not necessary that Government should incur any expenditure on the payment of these inspecting officers. The factories, bodies or persons employing them should pay their fees.

6. The inspecting mechanics should officially be subordinate to the magistrate of the district.

(No. 2443, dated Ráwalpindi, 11th December 1888.)

From Colonel *R. P. Nisbet*, C.I.E., Commissioner and Superintendent, Ráwalpindi Division, to the Secretary to Government, Punjab.

With reference to your No. 1050, dated 16th July, I have the honour to forward copy of a letter from the Deputy Commissioner of Ráwalpindi, reporting on the factories in his district. There are no factories falling within the definition of the Factories Act, 1881, in the other districts of the division except Jhelum, in which the Dandot Colliery has been so declared by Government. The Deputy Commissioner has, however, erroneously reported that there are no factories in his district. His attention will now be called to the orders regarding the Dandot Colliery, and a fresh report called for.

(No. 2558G, dated 8th September 1888.)

From *A. Meredith*, Esq., Deputy Commissioner, Ráwalpindi, to the Commissioner and Superintendent, Ráwalpindi Division.

In reply to your Circular, No. $\frac{100}{1896}$, dated 19th July, I have the honour to state that the only two factories in this district falling within the definition given in Section 2 of the Indian Factories Act, 1881, are the Railway Workshops and the Murree Brewery. These have now been inspected, and it has been found that the provisions of the Act are fully carried out in both factories.

2. The railway workshops were found to be clean and well ventilated; all parts of machinery likely to cause danger to persons working them were found to be fenced or protected with iron covers. About 1,000 men are employed daily; on the day of inspection the number present was 1,069. The hours of working are 48 hours a week, 5½ hours on Saturday, and on other week days 8½ hours. If required, extra work is given, for which the men are paid, excluding Saturdays, and on no day does it exceed two hours. No children under 12 years of age are employed. Work is divided into periods so as to give each employé an hour for food and rest. There have been only three serious accidents during the past four years due to carelessness on the part of the men, such as cleaning the machine while in motion in spite of strict orders to the contrary.

3. The premises of the Murree Brewery were found to be thoroughly clean and well ventilated, and all the machinery was adequately fenced. The number of hands present on the day of inspection was 262, but in the cold weather about double that number are employed. The hours of work for the mass of the employés are from eight to nine hours a day, but for those engaged in work that requires constant supervision, such as looking after the boilers, from 6 a.m. to 6 p.m., with an hour's interval at noon for food. These long hours, however, prevail only in the summer; in the winter they are not more than eight or nine hours. No children under 12 years of age are employed in the brewery. There have been no serious accidents at all for five or six years.

4. The two factories were last inspected in 1884.

CENTRAL PROVINCES REPORTS.

(No. C 95, dated Pachmarhi, 3rd November 1888.)

From *F. C. Anderson*, Esq., C.S., Officiating Secretary to the Chief Commissioner, Central Provinces, to the Secretary to the Government of India, Home Department.

I am directed, in reference to Home Department endorsements, Nos. 1039, dated 21st June, and 1411, dated 28th August last, calling for report on the working of the Factories Act in the Central Provinces, to submit a copy of the correspondence noted in the margin, and to add the following observations.

No. 6022, dated 20th September 1888, from the Commissioner, Nagpur Division, with enclosures.
No. 5867, dated 16th October 1888, from the Commissioner, Jabalpur Division, with enclosures.

2. Rules under the Factories Act were made and published in "Central Provinces Gazette" Notification, No. 2944, dated 4th August 1882. In addition to the Warora and Umaria Collieries and jail manufactories which are worked by Government, there are the following factories under private management in the Central Provinces:—

(1.) The Bengal-Nagpur Railway Workshops at Nagpur.
(2.) The Great Indian Peninsula Railway Workshops at Jabalpur.
(3.) The Empress Spinning and Weaving Mills, Nagpur.
(4.) The Gokul Dass Spinning Mills at Jabalpur.
(5.) The Hinganghat Spinning Mills at Hinganghat.

No children are employed in the two first, and their management is good, and calls for no special remark. The required information regarding the others is given in the papers forwarded.

3. It appears to the Chief Commissioner that no case exists, so far as these provinces are concerned, for further legislation. It would be convenient if this Administration were at liberty to apply for the services of a trained factory inspector, where such an officer is employed in a neighbouring province, to inspect mills in the Central Provinces once for all, and to point out to district officers the matters requiring attention. But, generally speaking, present arrangements are sufficient, and the Act gives all the powers required. Even where the hours appear long, as in the Empress Mills, the hands take things very easily, and seem to rest and smoke as they feel disposed. In mofussil factories here there is nothing like the discipline of an English mill, and no driving of the hands such as is heard of elsewhere.

4. I am to add that the Deputy Commissioners of Nagpur and Jabalpur will be instructed to endeavour to secure the advice and assistance of a trained mechanical engineer from the railway workshops on the occasion of their next inspection of the local mills, and that the Deputy Commissioner of Wardha will be told to insist on the observance of the rules about children in the Hinganghat Mills, and to act on his own opinion as to the necessity of fencing any exposed machinery. It is better for him to err on the safe side in this matter.

(No. 6022, dated 20th September 1888.)

From *L. Neill*, Esq., C.S., Officiating Commissioner, Nagpur Division, to the Secretary to the Chief Commissioner, Central Provinces.

WITH reference to correspondence ending with your endorsement, No. 5370—283, dated 10th instant, regarding the working of the Indian Factories Act (XV. of 1881) I have the honour to annex copies of letters from the Deputy Commissioners of Nagpur and Wardha on the subject.

No. 4558, dated 27th August, from Deputy Commissioner, Nagpur.
No. 4567, dated 4th September, from Deputy Commissioner, Wardha.

2. Presumably in this Division the following premises would come within the definition of "Factory":—

(1.) The Empress Mills, Nagpur;

(2.) The Bengal-Nagpur Railway Workshops, Nagpur;

(3.) The Central Jail, Nagpur;

(4.) The Hinganghat Spinning Mill Company, Hinganghat;

(5.) The Warora Colliery.

I shall, however, confine my remarks to premises (1), (2), and (4).

3. The points on which, as I understand, a report is wanted, are chiefly:—

(1.) How do magistrates succeed as inspectors?

(2.) Are accidents numerous?

(3.) Are the hours of work too long, and holidays too few, and

(*a.*) Is it expedient to legislate for the restriction of the hours of labour in the case of adult women and children;

(*b.*) Should the closing of factories on one day in seven be insisted on?

(4.) Are wages withheld from factory hands?

(5.) Are the work-rooms sufficiently ventilated; is the machinery sufficiently fenced and generally safe, and are the managers competent?

(6.) Should the Act be modified in the direction of additional stringency?

I shall say a few words on all these points.

4. With regard to the performance by magistrates of the duties of inspectors, I think that the Deputy Commissioner of Wardha has placed the matter in a fair

fair and clear manner. He says that the advantage of the arrangement is, that managers of factories comply at once with orders or directions of the magistrates. whereas they might not so readily conform to orders of inspectors, &c. The disadvantage is that magistrates have no sufficient knowledge of machinery, and that one magistrate may consider some machinery unsafe or insufficiently shielded, which another thinks safe and in no way dangerous. The Deputy Commissioner gives a practical illustration showing how, on his inspection of the Hinganghat Mills, he thought some machinery or arrangements "decidedly dangerous" which his predecessor in office had characterised as a "source of little danger." Similarly the Deputy Commissioner of Nagpur reports "that in 1882 the then Deputy Commissioner on the report of the executive engineer had called on the manager of the Empress Mills to take steps for protecting the most dangerous parts of the machinery in the mills, He was asked to case in with iron sheeting to a height of four feet from the ground all the driving belts.

"The manager replied that he found this proposal impracticable, and urged that in all the Bombay mills and even in the mills in England this was not insisted on.

"No further steps would seem to have been taken for shielding the machinery, and the subject would seem to be in exactly the same state as when you addressed the Chief Commissioner in your No. 5662, dated 13th October 1882. There is no doubt that many of the accidents that occur are due to defective shielding of the machinery."

The Deputy Commissioner of Wardha suggests that executive engineers might also be made inspectors under the Act. I do not, however, see that there would be any distinct advantage in such an arrangement, as executive engineers are not experts in the matter of machinery. Moreover, under existing rules (9 of Notification No. 2944, dated 4th August 1882) "the inspector may take with him as assistant or assistants any person or persons whom he may consider qualified to give a professional opinion as to secure fencing of machinery and mill gearing." So that the magistrate could call to his assistance any engineer, &c., &c.

What I would venture to suggest is that no mill should be allowed to start working till it has been inspected and certified to be in all respects well furfurnished and fitted, &c., &c. If an expert inspected factories prior to opening and pointed out in detail to the magistrate the parts of the machinery and gearing to which special attention should be paid, I think that the magistrate could do the half-yearly inspection (Rule 8 of Notification No. 2944, dated 4th August 1882).

5. Accidents do not seem numerous. During 1887-88 there were four accidents at the Empress Mills, Nagpur, one on the Bengal Nagpur Railway Work shops, Nagpur, and four at the Hinganghat Mills.

In only one case at the Empress Mills does the injury received (compound fracture of the forearm) seem to have been of a serious character.

6. Neither in the Empress Mills, nor in the railway workshops are "children" employed.

The Deputy Commissioner reports that, at his last half-yearly inspection, he found at the mills—

Males	2,008
Females	481
	2,489

At the workshops—

Males	2,027
Females	55
	2,082

The hours of work were at the mills from sunrise to sunset, with an interval of 25 minutes at noon; at the railway workshops from 7 a.m. to 4 p.m., with

an interval of an hour in the middle of the day. On this point the Deputy Commissioner, Nagpur, remarks:—

"At the Empress Mills the hours for the employment of hands seem decidedly long, especially when compared with the Bengal Nagpur Railway Factory. All the people, however, whom I saw appeared happy and contented, and in appearance compared favourably with outside labourers."

7. As the hours of work seemed exceedingly long, I made further inquiry into the matter. I find that the Empress Mills stop work on every alternate Sunday, unless a Muhammadan or Hindu holiday intervenes, when they stop on such holiday. They also stop on all general Hindu and Muhammadan holidays.

Moreover, the manager gives leave of absence to such hands as want it for their private business, religious ceremonies, wedding festivals, &c. There are 2,450 workpeople on the muster roll, but the average attendance comes to about 2,200 daily. This shows that about 250 people stop away for some reason or other daily. Besides these absentees, there are about 200 people working as "substitutes," that is, if a hand requires leave of absence he or she brings a substitute to work for him or her. When this is done, the person taking leave is considered present, and is paid for the day or for the work done by the substitute, making his or her private arrangement with the substitute.

In the above way, out of about 2,450 people, about 450 are on an average absent.

The hands are paid some by the day and others by piece-work. They work from sunrise to sunset, with an interval of 25 minutes at noon. But while work is going on they go out three or four times in the day to smoke, drink water, take their food, and for other purposes.

The manager also informs me that he believes in England a mill of the size of the Empress Mills would be worked by 500 hands, whereas the number employed is nearly 2,500.

8. In view of the above facts, it does not seem that any strong case is made out for legislation, in respect to closing of the factories and hours of labour for adults.

"The case of children" may be different. "Children" are employed in the Hinganghat Mill, and the sanctioned hours of working are—

6.30 a.m. to 11 a.m.;

Rest of hour—

12 noon to 4.30 p.m.

Regarding children, the Deputy Commissioner of Wordha observed:—

"I noticed, at my last inspection, that days which have been reported to me as holidays, had not been kept as such. I therefore adopted the plan of informing the tahsildar of the days fixed as holidays, and requiring him to report that they were observed, and have recently received a report that they were not. The matter is under investigation. I fancy that a close watch will have to be kept in this respect with regard to children. I do not see any necessity for interference yet in the case of adults."

9. Nowhere have any complaints been made of the withholding of wages.

10. Regarding the condition of the factories, the Deputy Commissioner, Nagpur, states that, as far as he could judge, the sanitary arrangements and ventilation of the Empress Mills were good, and similarly the Deputy Commissioner of Wardha says:—

"The rooms in the Hinganghat Mill seemed to be sufficiently well ventilated and fairly clean."

A magistrate is not a very competent judge of the capacity and competency of managers of mills. As much capital is sunk in a mill, it may reasonably be expected that the mill company will not appoint an incapable or inexperienced man as manager. The Deputy Commissioner, Wardha, writes—

"At the Hinganghat Mill we have had two managers, Mr. Gaffort first, and then the present manager, Mr. Kesheo Sheoram. Mr. Gaffort was, from all accounts, thoroughly competent. Mr. Kesheo Sheoram, having spent the greater

greater part of his time as a Government servant in the Civil Department, from which he retired as Extra Assistant Commissioner, cannot have any knowledge of machinery such as would entitle him to be considered thoroughly competent."

11. I think that if Act XV. of 1881 is amended, reasons exist for two modifications—

(1.) In the direction of prohibiting the working of a factory till it is certified to by an expert to be in good and safe condition and properly fitted;

(2.) In the direction of inserting additional clauses regarding machinery and providing for the inspection of machinery. At present the Act confines itself to the "fencing" of machinery.

Inspection of machinery would, of course, have to be made by an expert, whose services could easily be got from the Railway Adminstration.

(No. 4558, dated the 27th August 1888.)

From Colonel *C. H. Grace*, Deputy Commissioner, Nagpur, to the Commissioner, Nagpur Division.

In reply to your endorsement, No. 4667, dated 17th ultimo, forwarding correspondence as per margin, I have the honour to report that in the Nagpur district three factories have been registered under the Indian Factory Act.

Secretary of State's despatch, No. 30, dated 3rd May 1888.
Government of India's endorsement, No. 1039, dated 21st June 1888.
Under Secretary to Chief Commissioner's endorsement, No. 4076—195, dated 14th July 1888.

2. These are—

(1.) The Empress Mill at Nagpur.

(2.) Bengal Nagpur Railway Workshops at Nagpur.

(3.) The Central Jail at Nagpur.

At my half-yearly inspection of these factories last month, the following was the number of persons employed—

Empress Mills.

Males	2,008
Females	481
TOTAL	2,489

Bengal-Nagpur Railway Workshops.

Males	2,027
Females	55
TOTAL	2,082

3. The Central Jail, although registered as a factory under the Act, has no dangerous machinery, and no accidents have ever been reported from that institution. Neither the Empress Mills nor the Bengal Nagpur Railway Workshops employ children under 12 years of age, so that the provisions of sections 6 to 10 of the Indian Factories Act, and Rules 13 to 16 of the rules framed under the Act by the Local Government, are not applicable.

4. In the Empress Mills work commences at daylight, and, with an interval of 25 minutes at noon, continues as long as there is daylight.

In the Bengal-Nagpur Railway Workshops, the hours of work are from 7 a.m. till 5 p.m., with an interval of an hour in the middle of the day.

5. I append a statement showing the accidents that have been reported to the inspector during the last official year.

It will be observed that most of these accidents are all of a slight nature, none of these terminating fatally.

6. I observe from the file of correspondence in my office, that in 1882 the then Deputy Commissioner on the Report of the Executive Engineer had called on the manager of the Empress Mills to take steps for protecting the most dangerous parts of the machinery in the mills. He was asked to case in with iron sheeting to a height of four feet from the ground all the driving belts.

The manager replied that he found this proposal impracticable, and urged that in all the Bombay Mills, and even in the mills in England, this was not insisted on.

No further steps would seem to have been taken for shielding the machinery, and the subject would seem to be in exactly the same state as when you addressed the Chief Commissioner in your No. 5662, dated 13th October 1882. There is no doubt that many of the accidents that occur are due to defective shielding of the machinery.

7. It seems to me most desirable that the duties of reporting on the safe fencing in of the machinery at factories, as also in regard to their proper ventilation and sanitation, should not devolve on the district magistrate, but should be entrusted to an expert in such matters.

8. At the Empress Mills the hours for the employment of hands seem decidedly long, especially when compared with the Bengal-Nagpur Railway Factory. All the people, however, whom I saw appeared happy and contented, and in appearance compared favourably with outside labourers. I have heard no complaints in regard to wages having been withheld from the workmen in either of these factories. As far as I could myself judge, the sanitary arrangements and ventilation of the mills were good, and the managers appeared to me efficient.

9. The rules framed under the Act seem to have been complied with.

(No. 4567, dated the 4th September 1888.)

From Colonel *T.A. Scott*, Deputy Commissioner, Wardha, to the Commissioner, Nagpur Division.

WITH reference to your endorsement, No. 4667, dated the 17th July 1888, I have the honour to submit the report called for. I regret the delay which has occurred in answering the reference, which is due to the papers having been placed in the Factory Inspection Book, and thus, not being among the papers for disposal, were overlooked.

2. Report is called for on the following points :—

(*a.*) Whether the plan of leaving the inspection of factories in the hands of magistrates has answered.

(*b.*) Whether the Factory Act needs amendment in the direction of additional stringency.

(*c.*) Whether the working hours are too long.

(*d.*) Whether wages are paid regularly.

(*e.*) Whether managers are competent and machinery well fenced.

(*f.*) Whether rooms are well ventilated and clean.

3. With regard to (*a.*), I should say that in one way the inspection of factories, being in the hands of the district magistrate, is good so far as mofussil mills are concerned, and that is, that suggestions have only to be made to be carried out at once; whereas if the inspection were entrusted to an officer having no authority beyond that given him by the Factory Act, it is probable that the provisions of the Act could not be enforced without some prosecutions. But, as a rule, magistrates have no knowledge of machinery, and are not good judges as

as to whether machinery is properly fenced, and in all respects made as safe as possible, and what one magistrate considers quite safe may, by another, be considered unsafe. As an instance, I may mention that when I inspected the Hinganghat Mill, I made the following note:—

"There are some children employed in the reeling-room, where the passages between the different sets of machinery are narrow, and along these passages are straps and wheels quite unprotected. This is decidedly dangerous."

On coming to head-quarters, I referred to the remarks of my predecessor to see if he had done anything in this matter, and found the following remarks:—

"The belting throughout the mill is unfenced, but is so placed as to be a source of little danger, especially in the part where the children are employed."

Such difference of opinion will always occur if inspection is left to officers who have no knowledge of machinery. For mills in the interior, where they are few, I should say that the best plan would be to let district magistrate remain inspector, but to direct that the executive engineer shall also inspect the machinery and buildings periodically, and report to the district magistrate any deficiency in the way of fencing, ventilation, &c., which he may notice.

(*b*) As a rule, managers have been so ready to act on any suggestions made, that no change in the direction of greater stringency seems to be needed.

(*c*) I have had no complaints from adults as to being worked too hard. In respect of children, I noticed at my last inspection that days which had been reported to me as holidays had not been kept as such. I therefore adopted the plan of informing the tahsildar of the days fixed as holidays, and requiring him to report that they were observed, and have recently received a report that they were not. The matter is under investigation. I fancy that a close watch will have to be kept in this respect with regard to children. I do not see any necessity for interference yet in the case of adults.

(*d*) There have been no complaints as to withholding of wages, nor do I think this is done.

(*e*) At the Hinganghat Mill we have had two managers; Mr. Gaffort first, and then the present manager, Mr. Kesheo Sheoram. Mr. Gaffort was from all accounts thoroughly competent. Mr. Kesheo Sheoram, having spent the greater part of his time as a Government servant in the Civil Department, from which he retired as Extra Assistant Commissioner, cannot have any knowledge of machinery such as would entitle him to be considered thoroughly competent.

(*f*) The rooms in the Hinganghat Mill seemed to me sufficiently well ventilated and fairly clean. I annex a return showing the number of accidents reported each year since the mill began to work.

LIST of ACCIDENTS Reported to the Deputy Commissioner, Nagpur, under Section 13 of the INDIAN FACTORIES ACT, during the Year 1887–88.

Serial No.	Date of Accident.	Name of Injured Person.	Caste.	Sex.	Age.	Nature of Injury.	How Caused.
			BY BENGAL-NAGPUR RAILWAY WORKSHOP.				
1	6 January 1888 -	Marothi Ramji, cooly.	Mali - -	Male -	32	Elbow, chin, bottom lip, and left leg injured slightly.	By the scaffolding on which he was standing being subjected to a sudden jerk.
			BY THE EMPRESS MILLS.				
1	2 July - 1887 -	Bhiwa Lahoo -	Maratha - -	Male -	35	Contused wound over the eye.	By his carelessly taking a belt off a card pulley.
2	12 August „ -	Madar Bux Bawani	Muhammadan	Male -	35	Compound fracture of forearm.	By his hand getting between the strap and pulley while putting on a slip.
3	20 August „ -	Narain Batturam -	Mahar - -	Male -	16	Contused lacerated wound on the back of left elbow, and three similar wounds on the left side of lower jaw.	By his hand being carried round a cylinder while putting on a spindle band.
4	6 January 1888 -	Baijee Nago - -	Maharin - -	Female	13	Contused lacerated wound on four fingers of right hand.	By her meddling with a machine in motion unconnected with her work.

Nagpur,
27 August 1888.

C. H. Grace, Colonel,
Deputy Commissioner.

STATEMENT of ACCIDENTS Reported by the HINGANGHAT MILL COMPANY.

YEAR.	Nature of Accidents.		REMARKS.
	Fatal.	Otherwise.	
1884 - - -	—	6	Started in 1882, but apparently not in complete working order till 1884.
1885 - - -	—	1	
1886 - - -	—	5	
1887 - - -	—	4	
1888 - - -	—	1	Up to date.

T. A. Scott, Colonel,
Deputy Commissioner, Wardha.

(No. 5867, dated 16th October 1888.)

From Colonel *M. M. Bowie*, Officiating Commissioner, Jabalpur Division, to the Secretary to the Chief Commissioner, Central Provinces.

I HAVE the honour, with reference to your No. 4076—195, dated the 14th July last, to forward herewith a copy of a letter, No. 3879, dated the 21st ultimo, from the Deputy Commissioner, Jabalpur, which contains a report on the state of the Seth Gokul Dass Mills and Great Indian Peninsula Railway Locomotive Shop, which are the only important factories in this division to which the rules published under Notification No. 2944, of the 4th August 1882, have been applied; the Umaria Colliery, which has lately been brought on the register, not having yet been inspected. A return of the accidents which have occurred in the mills since they were opened is also appended to this letter, and the Deputy Commissioner at the same time gives his views on the general questions raised in the Government letter which was forwarded under your endorsement above quoted.

2. It will be observed that no remarks are necessary as regards the railway workshop, and that, with reference to the Seth Gokul Dass Mills, the Deputy Commissioner reports (1) that hours of working are restricted between sunrise and sunset, and that a midday rest of one hour in the case of children, and of half-an-hour in the case of adults, is allowed; also that the mills are closed for at least two days in every month; (2) that wages are regularly paid and fines very seldom imposed; (3) that the manager is a capable man, and that, with one exception, to which attention has been drawn, the machinery is properly fenced; and (4) that, though the rooms are not perhaps so well ventilated as they should be, they are kept fairly clean. It is also clear from the statement of the accidents which have occurred that they have been very few in number and not of a serious character.

3. So far as the mills in this division are concerned, then, there would appear to be no pressing necessity for modifying the Act in the direction of additional stringency. The fact is, that among the working classes of these parts the struggle for existence is not so great as to induce them often to overwork themselves. The difficulty generally is to get an honest day's work out of those on regular monthly wages, while those on piece-work are, as a rule, only too apt to take holidays. At the same time, however, I concur with Mr. Ismay in thinking that, having regard to the factories in all parts of India, it would perhaps be advisable to restrict by legislation the hours of labour, not only of women and children, but also of all employés, and to provide that factories should be closed four times a month. I concur with him also in thinking that it would be a mistake to insist on Sunday closing, and that the days should be fixed by the manager on the principle laid down in Section 8 of the Indian Factories Act.

4. With reference to the plan of placing the duty of inspecting factories in the hands of the magistrate, I would say that, under the present circumstances of these provinces, no other could well be devised.

(No. 3879, dated 21st September 1888.)

From *Stanley Ismay*, Esq., C.S., Deputy Commissioner, Jabalpur, to the Commissioner, Jabalpur Division.

WITH reference to your No. 4106, of the 10th July, and No. 5175, of the 13th instant, I have the honour to report as follows :—

2. When I took charge of this district, in April last, I found that the Gokul Dass Mills had never been placed on the district register of factories; the result being that the rules published under Notification No. 2944, of the 4th August 1882, were a dead letter. I have now placed the said factory on my register, and have arranged for a proper carrying out of the rules.

3. I have also recently registered the Umeria Colliery as a factory, but have not yet been able to inspect it.

4. As regards the Great Indian Peninsula Railway Locomotive Shop, no remarks are necessary; the buildings are well ventilated, the machinery is properly fenced, and no children are employed. No accidents of other than a trivial nature have ever occurred.

5. Adverting first to the correspondence forwarded under cover of Secretary to the Chief Commissioner's endorsement, No. 4076—195, of the 14th July, I would note that, owing to the absence of any provision for lighting up the Gokul Dass Mills, the hours of labour are necessarily restricted between sunrise and sunset. Children are now allowed one hour's rest in the middle of the day, the rest for adults being limited to half-an-hour. The mills are closed for *at least* two days in every month without any reduction of wages. The great majority of the employés, however, work by the piece, so that in their case a holiday has the effect of diminishing earnings. Wages are usually paid on the 26th of the following month, and I am informed that fines are rarely imposed. So far as I am aware, the present manager is competent for the post, and, with one slight exception (alluded to in my inspection note), machinery is properly fenced. The workrooms are not, perhaps, so well ventilated as they might be, but on the occasion of my visits I have always found them fairly clean.

6. A statement is appended showing the accidents which have occurred in the Seth Gokul Dass Mills since they were first opened; it will be seen that these accidents have been few in number, and not of a serious nature.

7. With reference to the correspondence forwarded under cover of your No. 5175, of the 13th instant, I am of opinion [without any special reference to the Jabalpur Mills] that the hours of labour in the case not only of women and children, but of all employés, should be restricted by special legislation, and that factories should be closed four times during the month. It would be altogether a mistake to insist on Sunday closing; the days should be fixed by the occupier on the principle laid down in Section 8 of the Indian Factories Act.

STATEMENT showing the ACCIDENTS that have occurred in the MILLS of GOKUL DASS BALLABH DASS COTTON MANUFACTURING COMPANY, Limited, since the Mills were opened to 31st July 1888.

1. Date of Accident.	2. Name of Person Injured.	3. Nature of Injury.	4. Cause of Injury.	5. REMARKS.
1887:				
18 April (about) -	Golab Spinner -	Hurt his foot - - - -	By a mule - - - -	Recovered.
21 August - -	Manohar Rajput -	Palm of his hand got knocked by beater, and thereby bruised.	By putting his hand into the double scutcher while it was not quite stopped.	Was sent to Victoria hospitals; has recovered.
10 September - -	Kanhai Kori - -	Two fingers of his right hand injured by self-feeder wheel.	By his own negligence - -	Was sent to Victoria hospitals; has recovered.
1888:				
11 July - - -	Jagganath Thakur	Loss of three fingers of left hand.	Carelessness when attending to a scutching machine.	Was sent to Victoria hospitals; has recovered.
14 July - - -	Jithwa Bhola -	Loss of first joint of index finger of right hand.	Jammed between taking-in scroll of mule and the hand.	Sent to Victoria Hospital; has returned and works.

Office of Secretary and Agent, Gokul Dass Ballabh Dass Cotton Manufacturing Company, Limited, Jabalpur, 10 August 1888.

Jagganath Parshad,
Secretary and Agent.

BURMA REPORTS.

(No. 549—50 G.-F.C., dated Rangoon, 19th October 1888.)

From *H. Thirkell White*, Esq., C.S., Officiating Chief Secretary to the Chief Commissioner of Burma, to the Secretary to the Government of India, Home Department.

In reply to the Secretary to the Government of India, Home Department, No. 1040, dated 21st June 1888, and No. 1412, dated 28th August 1888, calling for a report upon the working of the Indian Factory Act in Burma, with special reference to the following points mentioned in the first letter,—

(*a*) The manner in which the plan of placing the duty of inspecting factories in the hands of magistrates or Government engineers has answered;

(*b*) Whether it is proposed to modify the Factory Act of 1881 in the direction of additional stringency;

and asking that reference may be made to the four shortcomings mentioned by Mr. Jones in the second paragraph of the Secretary of State's letter, viz.,—

(1.) The long hours of work and few holidays in Bombay factories;

(2.) The occasional withholding of wages from hands;

(3.) The incompetency of mill managers and the inadequate fencing of machinery;

(4.) The ill-ventilated and filthy state of many workrooms;

and, further, that a statement may be given, as far as may be practicable, of accidents, fatal or otherwise, that have been reported to or investigated by inspectors, and to the following two points mentioned in the second letter,—

(1.) Whether it is expedient to legislate for the restriction of the hours of labour in the case of adult women and children; and

(2.) Whether the closing of factories on one day in seven should be insisted upon;

I am directed to state as follows:—

2. In Burma there are only two descriptions of mills which answer to the definition given of "factory" in the Act,—

(1.) Rice Mills.

(2.) Saw Mills.

The number of factories is:—

Town.	Rice Mills.	Saw Mills.
Rangoon and Hanthawaddy	20	4
Akyab	5	—
Bassein	8	1
Moulmein	6	19
Tharrawaddy	—	1
Thayetmyo	—	2
Amherst	—	1
Shwegyin	—	1
Total	39	29

The duty of inspecting factories has everywhere been placed in the hands of the magistrates of districts, and, except in the Rangoon town district, where factories are numerous, and the magistrate of the district complains that he is overworked, and asks to be relieved of the duty of inspecting factories, the magistrates of districts are the most suitable officers to discharge the duties of inspectors of factories.

3. All

3. All officers deprecate the modification of the Factory Act, 1881, in the direction of additional severity. In rice mills the hours of labour are from 6 a.m. to 6 p.m., an hour to an hour and a half being allowed at midday to mill hands, and two hours to coolies for meals. In the busy season, *i.e.*, from the 15th of January to the 15th of May, the work is carried on night and day by two sets of coolies, working from 6 a.m. to 6 p.m., and from 6 p.m. to 6 a.m. The men have thus 12 hours to themselves and an interval of rest during the hours of labour. They are well paid and could easily, such is the demand for labour in Burma, find other work if they were in any way overworked in the mills. The regular mill hands are well housed and cared for, and, even when the mills are not working, some of them are kept on. Usually about half the number are discharged when the mills are not working. The mill hands are skilled workmen such as engineers and millers.

4. The coolies are engaged in loading and unloading boats, and in carrying rice and paddy. They are taken on in gangs, not directly but through contractors who engage and pay them and undertake to house them. This they do in miserable and unhealthy shanties which are thus described by the health officer of Rangoon :—

"Nothing could be worse than the insanitary condition in which these people are herded together. The mills are built on the banks of the creeks or river on land reclaimed from swamp, and swamps surround them. The nature of the soil, the absence of drainage, the filthy habits of the people, with the unlimited overcrowding, gives rise to a state of things which bids defiance to ordinary sanitary provisions, I mean such as are set forth in our Municipal Act.

"These coolies crowd by tens of thousands into Rangoon for six or seven months in the year, leaving for Madras as the milling season closes. Some of them, bringing women and children, stay for a year or two, but all living under the same conditions. There is often much sickness amongst them from fevers, and cholera and small-pox find amongst them the bulk of their victims. They fill the hospital, swell the death-rates, and render the town unhealthy. They require special sanitary regulations and special supervision.

"As they earn very high wages they can well afford to pay for such special provisions; now they do not contribute their share to the local rates, and the burden of the expense of placing them under more sanitary conditions and of keeping them in order must fall upon the permanent residents, whose health and comfort they endanger. I believe that light but sufficient taxes might be levied upon these people, and sanitary regulations enforced, without in the slightest degree discouraging the influx of this necessary labour to Rangoon."

This, however, is a matter which should be dealt with under the Burma Municipalities Act, VII. of 1874, and the attention of the municipality will be called to the matter. If the Indian Factory Act is amended in the direction of additional stringency, the new provisions should not extend to Burma.

5. As to the four shortcomings mentioned by Mr. Jones, I am to say that none of them exist in Burma. The hours of work are not too long, and the working season is a short one. Wages are not withheld from hands, who are too independent to submit to this.

The mill managers are competent, and the machinery is adequately fenced. The workrooms are well ventilated and clean.

6. A statement of accidents that have been reported or investigated, fatal or otherwise, is annexed. In Rangoon town there were eight accidents in 1887, and three between the 1st of January and the 31st of August 1888, of which particulars are given; only one man was injured fatally in 1888.

In Akyab only one accident occurred in 1888, in which a man lost his arm. In the other towns no accidents have been reported.

7. As to the points on which information is asked for in your second letter, I am to report that women and children are hardly employed at all in the rice mills of Burma. The few women that are employed are engaged in sewing the mouths of rice bags and in carrying rice. Their hours of labour are short. The women who sew bags do not work later than 5 p.m., and the few female coolies work only three or four hours a day. In saw mills no women are employed, and children are not employed in either rice or saw mills. No restriction of the

hours of labour is required for adult women or children in Burma. The closing of factories on one day in seven should not be insisted upon as regards rice mills in Burma, as the mill must be worked continuously throughout the busy season. In saw mills the labourers are able to dictate very much their own terms regarding holidays, and probably prefer to take holidays on days observed by the religions to which they belong as holidays, rather than to have fixed holidays on days which do not suit them.

8. In conclusion, I am to observe that great difficulty is experienced in getting information which is required from factory owners and managers for statistical and other purposes, and to suggest that a section should be added to the Indian Factory Act requiring the owners and managers of factories to furnish all information required by Government, and attaching a penalty to the neglect to supply such information.

STATEMENT of ACCIDENTS which have occurred in Mills in *Burma*, during the Year 1888.

Stations in which Accident occurred.	Number of Accidents.		Account of Accident.
	Fatal.	Non-fatal.	
Akyab - -	- -	1	This occurred in the mill of Messrs. Bullock Brothers and Company. A man had to go on to a brick platform raised above the ground and put a band on to a couple of driving wheels. In doing this he was caught by the hand, and his arm was crushed by the driving belt. The arm had to be amputated. The man is quite well now.
Rangoon - -	1	1	On 2nd February 1888 the bran shed of Messrs. Strang, Steel, and Company's rice mill took fire, and two men were burnt; one died from the effects, and the other recovered.
Ditto - -	- -	1	On 2nd April 1888, at Messrs. Bullock Brothers and Company's mill in Poozoondoung, a khalassie got his loin cloth entangled on a shaft of the machinery through his own carelessness, and injured his left leg.
Ditto - -	- -	1	On 23rd April 1888, in the same mill, a khalassie got his fingers jammed in the machinery.

H. T. White,
Officiating Chief Secretary to Chief Commissioner, Burma.

BOMBAY REPORTS.

(No. 4387 of 1888.)

From *John Nugent*, Esq., C.S., Chief Secretary to the Government of Bombay, to *A. P. MacDonnell*, Esq., C.S., C.S.I., Secretary to the Government of India, Home Department (Judicial), Calcutta.

General Department, Bombay Castle,
10 December 1888.

Sir,

I AM directed to acknowledge the receipt of Mr. Under Secretary Hewett's endorsements, Nos. 1035 and 1407, dated respectively the 21st June and 28th August last, calling for the report of this Government on certain points noticed by the Secretary of State for India in connection with the working of the Indian Factories Act in the Presidency of Bombay, and in reply to forward herewith copies of the papers noted in the margin containing the reports of the officers consulted on the subject, as also the Report of the Commission appointed by this Government in 1884 to consider the working of factories in this presidency, together with the Resolution passed by this Government thereon, and at the same time to offer the following remarks:—

Letter from the Inspector of Factories, Bombay, No. 231, dated 10th July 1888, and enclosure.
Letter from the Commissioner, N. D., No. 2597, dated 16th August 1888, with enclosures.
Letter from the Commissioner, S. D., No. 2878, dated 18th September 1888, with enclosures.
Letter from the Commissioner in Sind, No. 1477, dated 23rd November 1888, with enclosures.

2. In paragraph 3 of his Despatch of 26th July last the Secretary of State inquires (1) whether it is expedient to legislate for the restriction of the hours of labour in the case of adult women and children, and (2) whether the closing of

of factories on one day in seven should be insisted upon. As regards the first question, this Government were of opinion in 1885, as then stated by them, that legislation in the direction indicated was expedient. As regards the second, they considered that the grant of four days' holidays in every month to women and children should be made compulsory by law, but that it was not advisable to extend this provision to the case of adult males. These views were expressed in the Resolution of Government of 4th February 1885, and nothing has since occurred to lead them to modify the opinions then entertained by them on these points. Those opinions were at the time pressed on the notice of the Government of India, but that Government declined to take any action in the direction of general legislation.

3. The Secretary of State, in paragraph 3 of his Despatch of 3rd May last, called for report (1) on the working of the Indian Factories Act, (2) on the working of the system of factory inspection by magistrates, and (3) on four points specially noticed by Mr. Jones in a memorandum prepared by him. As concerns the first question, it seems to the Governor in Council that the Act has worked very satisfactorily as far as it goes, but that the benefits arising from its operation would have been materially enhanced if the Government of India had acceded to the proposals for its amendment made by this Government in February 1885. As regards the second question, the Governor in Council thinks the system has worked with fair success. Some and probably sufficient supervision has been exercised over mills up-country by the magistrates. The mere knowledge of the fact that their mills are likely at any time to be visited by the magistrate is enough to prevent most millowners or managers in an Indian town from any gross violation of the law or serious breach of rule. In Bombay, certainly, the system of entrusting the duty of inspection of mills to the covenanted assistant collector has met all requirements. Some of the district magistrates urge the want of technical knowledge, the lack of leisure, and their long absence from head-quarters, where the mills ordinarily are located, or from the minor towns, where some are situated, as drawbacks preventing them from performing efficiently the work of inspection. To this the Governor in Council would reply that the amount of technical knowledge needed to enable any man of education and intelligence to discharge satisfactorily the simple and limited duties which devolve under the Act on an inspector is small and is easily acquired; that the visits need be neither so frequent nor so protracted as to occupy an inconvenient quantity of any officer's time; and that, even allowing in the fullest manner for absence from the place where the mill is situated, the magistrate would be there infinitely longer than would be any special inspector, who probably would not visit the mill more than three or four times at the most in the year, would not be altogether in the place more than eight days, and would probably not spend as many hours in the year inside the mill. It is utterly impossible to have a special inspector at every place where there is a mill, and the magistrate is in a much better position to inspect the mill even comparatively frequently than would be a peripatetic inspector whose province included the whole presidency. The Governor in Council admits that the inspection of factories by magistrates can never be so effective as an inspection by trained experts, but the choice in India lies between frequent inspection by the one and very infrequent inspection by the other. At the present stage of industrial development the casual and repeated visits of a tolerably intelligent and unprejudiced magistrate are the most effectual means available for keeping a factory owner or manager up to a fair standard of duty. It may be feasible hereafter, as industrial concerns multiply, to combine the functions of factory inspector with those of inspector of boilers, but this should for some time to come be rather an addition to the inspecting machinery than a supersession of the magistrates.

4. To proceed to the four points dwelt on by Mr. Jones, it may be observed *in limine* that that gentleman himself shows that the grievances or defects which he deems most noticeable are in the main either imaginary or have fully compensatory advantages as a set-off. As regards (1), viz., "the long hours of work and few holidays in Bombay factories," it is true that the hours of work are long on paper, and that the recognised holidays are few; but, on the other hand, the operatives do not work for all the time the mill is open during the day, and when they do work it is in a far more easy-going and desultory manner

than does the ordinary English mill hand. To long work they have no objection so long as it is light work, and provided they may occasionally go out, eat, talk, and smoke. These conditions are fulfilled in their existence in an Indian mill. Any further interference on the part of Government with the hours and time of work, especially in the case of adult males, would be most unpopular both with Indian millowners and with Indian mill hands, whose earnings would thereby be at once diminished, as their wages are entirely regulated on the piece-work system. As regards holidays it is sufficient to remark that, though the days on which the mills are not working are few and the recognised holidays are limited in number, a hand can always take a holiday when he likes. All he loses is his day's earnings. That the labourers in mills in this presidency are contented with their position is evidenced by the popularity of the employment. The hours of work, its intensity, and the enjoyment of holidays, are all regulated by a higgling of demand and supply, and by mutual adjustments, which the parties concerned settle in a manner better suited to their needs and tastes than any other which could be devised for them by Government or anyone else.

5. For the statement in Mr. Jones' point (2), viz., "the occasional withholding of wages from hands," there would seem to be little, if any, foundation. Men may occasionally be fined for remissness, damage caused to property, and like causes, and to such action no objection can reasonably be raised, but this Government are not aware of the existence of any evidence which bears out the assertion that wages are withheld even occasionally on improper grounds.

6. The answer to point No. 3, viz., "the incompetency of mill managers, the dangerous character of many mills, and the inadequate fencing of machinery," is that mill managers in this presidency are, as a rule, fully competent men. The competition is too keen to permit of the employment of incompetent managers. If a mill is badly managed and does not pay, the native shareholders are by no means backward in displaying determination to know the reason why, and to get rid of unsatisfactory servants. The management of the mills in Bombay is fairly good, even judged by an English standard. This is so whether the system be viewed from the standpoint of production and economic efficiency or from that of humanity and benevolence. That some managers should fall below the average standard is implied in there being an average, and precisely the same thing may be said in England. No cotton mills can correctly be described as being of a "dangerous character," and the condition of the minor factories has been and will be much improved under recent legislation. As a rule the machinery is properly fenced, *teste* the comparatively small number of accidents generally, and the rarity of serious accidents, most of which, when they do occur, are attributable to the gross carelessness of the persons injured.

7. As regards Mr. Jones' point (4) relating to the alleged "ill-ventilated and filthy state of many workrooms," the Governor in Council would observe that this description would not appear to be justly applicable in the case of the great majority of mills in this presidency. To any ordinary Englishman travelling, or even resident in this country, a workroom in an Indian mill would probably appear exceedingly warm and close, notably in the hot weather, but it is not he but the Indian operative who chooses to work in it whose habits and ideas of comfort have to be consulted. The Indian mill hand does not object to working in a crowded room in a temperature which to an Englishman would appear almost unendurable for any length of time. The heat to him is nothing; he would be much hotter if he were working in his field under a blazing sun, or breaking stones by the roadside in a fiery wind in April or May. Draughts, fresh air, and ventilation he abhors, and most carefully eschews in his own house. It is not possible to judge Indian operatives by an English standard of taste and comfort. At the same time the Government consider that it is desirable that measures should be adopted with a view to the enforcement in mills, factories, and other places in which large numbers of persons are employed, of reasonable sanitary rules.

8. I am directed to furnish herewith the statement of accidents called for. There is, in the opinion of the Governor in Council, no abnormal carelessness on the part of Indian millowners either in fencing their machinery or adopting other precautions against danger to their operatives. The latter themselves, in

in the factory as in the street, display the peculiar listlessness characteristic of Orientals, and a dulness of apprehension in the presence of danger which necessarily leads sometimes to fatal results, but the owners and managers of mills are prepared to do their duty by their subordinates without the pressure of any special severity.

9. In conclusion, I am to remark that a great industry has been formed, and is daily growing, which affords a profitable investment for capital and ability, and a most welcome and beneficial field for labour. It should be left to develop itself, as far as possible, in a natural manner, with only a minimum of interference on the part of Government, and the only matters in respect of which such interference is called for at present seem to the Governor in Council to be a liberal limitation of the hours of work in the case of women and children, the rendering compulsory the grant of four holidays in the month to operatives of those two classes, and the enforcement of simple and reasonable sanitary rules.

I have, &c.
(signed) *John Nugent*,
Chief Secretary to Government.

STATEMENT showing the Number of ACCIDENTS reported to have occurred in the FACTORIES in the *Bombay* Presidency, including *Sind*, which came under the Operation of the FACTORIES' ACT, from 1st January 1883 to 30th June 1888.

Quarter ending	Bombay City.			Mofussil.		
	Fatal.	Serious.	Slight.	Fatal.	Serious.	Slight.
31 March 1883	-	1	32	1	-	4
30 June "	-	-	53	-	-	6
30 September "	2	-	36	-	-	20
31 December "	3	-	47	2	-	29
31 March 1884	1	8	45	-	1	19
30 June "	1	5	50	-	-	18
30 September "	-	14	54	-	3	24
31 December "	4	8	58	1	8	12
31 March 1885	2	3	60	-	6	22
30 June "	1	8	59	-	5	27
30 September "	2	4	45	1	4	17
31 December "	2	11	62	-	1	26
31 March 1886	1	6	70	2	2	21
30 June "	4	7	74	-	5	25
30 September "	3	5	70	3	-	37
31 December "	1	11	73	1	5	13
31 March 1887	-	18	59	1	6	31
30 June "	-	10	71	1	5	11
30 September "	1	13	88	3	7	15
31 December "	-	17	74	1	1	12
31 March 1888	4	24	85	2	-	5
30 June "	2	20	116	-	1	27
Total	34	193	1,381	19	60	412

(No. 231 of 1888-89.)

From *W. W. Drew*, Esq., Inspector of Factories, Bombay, to *J. DeC. Atkins*, Esq., Under Secretary to Government, Bombay.

Sir, Bombay, 10 July 1888.

In reply to your memorandum, No. 2311, of the 4th instant, I have the honour to report as follows:—

As to the long hours of work, the practice in Bombay is to work from daylight to dark, a period which varies from 11½ to 14 hours, with a very short interval, often nearer a quarter than half an hour. Exclusive of this stoppage 12½ hours may be taken as the average. All males and girls over 12 work these hours. Women have about half an hour less at each end. In England the legal full time is from six to six or from seven to seven, with intervals aggregating two hours; adult males over 18 alone being allowed to work overtime. But as the mill cannot run with them only the result is that they work only 10 hours too. Children between 10 and 14 may work only half the legal full time, *i.e.*, five hours.

The following table shows the hours of work of persons of different ages:—

	England.	Bombay.
Male over 18 - - - - -	10	12½
Female over 18 - - - - -	10*	11½
Persons between 14 and 18 - - -	10*	12½
„ „ 12 and 14 - - -	5*	12½
„ „ 10 and 12 - - -	5*	9*
„ „ 7 and 10 - - -	Not at all*	9*

those marked with an asterisk (*) being regulated by law.

I have no practical experience of English factories, but from the evidence taken by the Factory Commission of 1884-85, and from the statements of many European *employés*, I have no doubt at all that during the working hours hands in England, whether males or females, children or adults, work far harder than in Bombay. For a mill with the same number of spindles quite twice as many hands are employed in Bombay as in England, so that not only is the work much lighter, but they can all get intervals for food and rest without the work of the mill being stopped. On an average about nine per cent. at a time are taking their meals or resting. This gives about an hour's interval at different times to each hand in addition to the regular stopping time.

Government, in their Resolution, No. 375, of 4th February 1885, agreed with the recommendation of the Factory Commission that the hours of adult labour should not be limited by law, as it would be contrary to the spirit of English policy, and I presume that it is never likely to be done, though it might follow as a consequence of children's and women's work being further reduced. As to children, I certainly think they want more protection. The present law fixing seven and 12 as the limits of age, and nine hours as the limit of work, has resulted in the complete discontinuance of their employment. The reason is that the mill must have the same number of hands during the whole working time or one part of the manufacture must get ahead of another. If children work for nine hours, it is impossible to get people to supply their place for the other four. And so, though it is very difficult indeed to get enough small boys and girls, who on account of their size are the best, as well as the cheapest, workers for throstles (especially for the ring throstles, which are now all the rage) over 12, yet managers will not employ them under 12. If the age were raised to 14 and the limit of time reduced to 5½ or six hours so as to enable them to work in two sets, I think the mills would not be able to dispense with them, and not only would continue employing as half-timers those between 12 and 14 whom they are now employing as full-timers, but would have to take on children between seven and 12 who are now thrown altogether out of employment. There would be practical difficulties in preventing children working at more than one mill the same day, but there is no reason why they should prove insuperable here any more than in England.

If

If this were done, it would probably result in the factories working for only double the time fixed for the employment of children. Thus, if a child's time was fixed at six hours, the mill would probably work a maximum of 12 hours, exclusive of the mid-day interval. If this should come to pass, the hands could, if they chose, get through quite as much work as they do now in the longer hours, but I do not think they would choose, as natives of India prefer long hours and dawdling to short hours and hard work. Still as they are almost all paid by piece-work, there would be an inducement to them to try to do work harder so as that their earnings might not be diminished. And children, by beginning at short hours and hard work during that time, might learn better habits of work. Women are employed only at reeling, which is very easy work, and I do not think any restrictions on their work are necessary at present.

2. As to the few holidays, the mills ordinarily stop for only two days a month, on alternate Sundays, unless there are native holidays; but on all these days, except four or five native holidays on which the mill is closed completely, they have to work from two to four hours in the morning at cleaning the machinery. All the hands, however, take holidays on their own account when it suits them. On an average, a hand does not work more than 300 days in the year, and can get leave pretty much as he likes. I do not think that compulsory stopping days would be popular with the native hands, though doubtless they would be with the Europeans, who cannot be spared so easily on working days.

3. Mr. Jones' remarks on the occasional withholding of wages from hands (page 122 of the Report) were made with reference to one mill in Gujarát only. I have never heard complaints of wages being unjustly withheld, and this would seem to be a matter to be settled by the Civil Courts. I do not think legislation on the subject would ever be of use. That was the opinion of the Commission, and was endorsed by Government. Wages are not paid so punctually as in England, but neither are they in other branches of industry in India.

4. The incompetency of a mill manager is a subject that concerns the shareholders or owner more than the Government Inspector. I have only noticed one incompetent man myself, a High Court pleader, who shall be nameless, but who was, I expect, the person alluded to by Mr. Jones in his remarks on page 115. This mill went into liquidation about a month after I become Inspector.

5. In his remarks on the dangerous character of many mills (page 119 of the Report) Mr. Jones alludes only to ginning mills, of which there are none in Bombay. I have not been able to find on the records any remark as to any particular mill here being dangerous, and I do not think myself that any of them are so.

6. As to the inadequate fencing of machinery, the Act gives full power to the Inspector to remedy that; for, besides providing that certain parts of it must invariably be fenced, it enables the Inspector to order the owner to fence any other part that he considers dangerous.

7. As to the ill-ventilated and filthy state of many work-rooms, Mr. Jones (page 119) is alluding to the Gujarát ginning and pressing mills.

Most of the mills in Bombay, especially the new ones, are well supplied with windows, but they are almost always kept closed, because a draught interferes with the spinning, and the hands object to it. Artificial ventilation which exists in very few mills would certainly appear to be necessary, and it would be very advisable to add Sections 3, 4, and 36 of the English Factory Act to the present Indian Act. I append a copy of these sections.

8. It is hardly for me to give an opinion how the plan of placing the duty of inspecting factories in the hands of Magistrates (among whom I suppose the Secretary of State would include the Assistant Collector of Bombay) has worked; but with regard to Mr. Jones' assertion (page 115) that their appointment can only be temporary, I would venture to remark:—

(1.) With the small powers and light duties of the present Act, the Assistant Collector here can spare time for quite as much inspection as is necessary. The list of the numbers of inspections made quarterly, which

I append, will show that there has been no diminution in their number since the Special Inspector's place was abolished.

(2.) Very little technical knowledge is required for directing the fencing of mill-gearing and machinery. The English and Indian Acts are practically the same in this respect, and the requisite guards are always made and sent out with the machinery. As to the mill-gearing in doubtful cases, the Inspector can always call in any person to assist him under Section 4 (*a*) of the Act. All the Inspectors who have held office have passed many orders as to fencing, and as not one has been appealed against, it may be presumed that they were reasonable.

(3.) For enforcing the provisions regarding children, the Magistrate or Assistant Collector is in a much better position than an English Inspector of Factories, and it is certainly better to have one for each district. Every one knew when the Inspector from Bombay was going to inspect an up-country mill long before he appeared.

(4.) The only way in which the Act is likely to be made more stringent is either in the direction of sanitation, ventilation, &c., or in hours of work. In this case, it would probably be found best to continue the District Magistrate, Collector or Assistant Collector as Inspector, and either give him special Assistant Inspectors, or appoint some of his subordinates as such.

I append a quarterly list of the number of accidents from the time they were first reported, divided into fatal, serious, and slight.

As I have had so few days in which to make this report, I have not been able to support my statements by statistics, but if they are collected, I am sure that they will bear them out.

I have, &c.
(signed) *W. W. Drew,*
Inspector of Factories, Bombay.

Fatal.	Serious.	Slight.	Total.	Number of Inspections.	Quarter ending		Remarks.
—	—	—	—	62	31 Dec.	1883	From 3rd October 1883.
1	8	45	54	63	31 March	1884	
1	5	50	56	61	30 June	„	
—	14	54	68	67	30 Sept.	„	
4	8	58	70	69	31 Dec.	„	
2	3	60	65	61	31 March	1885	
1	8	59	68	62	30 June	„	By Special Inspector.
2	4	45	51	58	30 Sept.	„	
2	11	62	75	62	31 Dec.	„	
1	6	70	77	62	31 March	1886	
4	7	74	85	67	30 June	„	
3	5	70	78	52	30 Sept.	„	
1	11	73	85	66	31 Dec.	„	
—	18	59	77	72	31 March	1887	
—	10	71	81	82	30 June	„	47 inspections by the Special Inspector from 1st April to 24th May, and 35 by the Assistant Collector from 25th May to 30th June.
1	13	88	102	70	30 Sept.	1887	Assistant Collector.
—	17	74	91	58	31 Dec.	„	
4	24	85	113	68	31 March	1888	

(signed) *E. Lawrence,*
Inspector of Factories, Bombay.

Sections 3, 4 and 36 of the English Factory Act.

3. A factory and a workshop shall be kept in a cleanly state and free from effluvia arising from any drain, privy, or other nuisance. A factory or workshop shall not be so overcrowded while work is carried on therein, as to be injurious to the health of the persons employed therein, and shall be ventilated in such a manner as to render harmless, so far as is practicable, all the gases, vapours, dust, or other impurities generated in the course of the manufacturing process or handicraft carried on therein that may be injurious to health. A factory or workshop in which there is a contravention of this section shall be deemed not to be kept in conformity with this Act.

4. Where it appears to an Inspector under this Act that any act, neglect, or default in relation to any drain, water-closet, earth-closet, privy, ash-pit, water-supply, nuisance, or other matter in a factory or workshop is punishable or remediable under the law relating to public health but not under this Act, that Inspector shall give notice in writing of such act, neglect, or default to the sanitary authority in whose district the factory or workshop is situate, and it shall be the duty of the sanitary authority to make such inquiry into the subject of the notice, and take such action thereon, as to that authority may seem proper for the purpose of enforcing the law.

An Inspector under this Act may, for the purposes of this section, take with him into a factory or a workshop a medical officer of health, inspector of nuisances, or other officer of the sanitary authority.

36. If in a factory or workshop, where grinding, glazing, or polishing on a wheel or any process is carried on by which dust is generated and inhaled by the workers to an injurious extent, it appears to an Inspector that such inhalation could be, to a great extent, prevented by the use of a fan or other mechanical means, the Inspector may direct a fan or other mechanical means of a proper construction for preventing such inhalation to be provided within a reasonable time; and if the same is not provided, maintained, and used, the factory or workshop shall be deemed not to be kept in conformity with this Act.

(True copy.)

(signed) *W. W. Drew*,
Inspector of Factories, Bombay.

(No. 2597 of 1888.)

From *G. F. Sheppard*, Esq., Commissioner, N. D., to *J. Nugent*, Esq., Chief Secretary to Government, General Department, Bombay.

(*Indian Factories Act.*)

Sir, Poona, 16 August 1888.

Ahmedabad Collector's, No. 2152, dated 28th July 1888.
Kaira Collector's, No. 2885, dated 19th July 1888.
Broach Collector's, No. 2910, dated 25th July 1888.
Surat Collector's, No. 2219, dated 6th August 1888.
Thána Collector's, No. 5156, dated 4th August 1888.

In reply to Government Resolution, No. 2398, of the 11th ultimo, I have the honour to submit the reports of the Collectors, as per margin.

2. The four "shortcomings" mentioned by Mr. Jones lose much of their force under his own explanation. I have inspected almost every mill in my Division, and have carefully reviewed every report submitted thereon by the professional and *ex-officio* Inspectors. My own opinion is—

(1) That the hours of work are somewhat too long for this climate, and that sufficient time is not allowed for rest and recreation;

(2) That there is no general complaint regarding fines;

(3) and (4) That mill managers are, as a rule, competent, and that they are now, as a class, sober and respectable men; that I am not aware of any complaints regard the state of machinery or of workrooms which have

not been attended to; but that the present system of inspection is of little practical value, District Magistrates having neither the time nor the professional knowledge necessary for such responsibility.

3. The importance of this great industry to this Presidency can hardly be over-estimated, and, I think, that several points require to be kept in mind in considering the question of intervention between labour and capital.

4. Mill-hands here are paid "by the piece," and consequently work is of a more voluntary nature than in Europe. Again, the regular and abundant supply of food obtainable by mill-hands, and especially by the children, is an equivalent, though perhaps not quite a full one, for the long hours of labour. This is a strong argument against hard and fast rules regarding limit of age, as it will probably be found that the young children employed in the mills are better nourished than those not so employed. Once more, work here is not so severe, nor so continuous, as in the mills at home.

5. On the other hand, it must be remembered—

(1) That it is the duty of the State to provide for the physical as well as the moral well-being of its people;

(2) That as irregular or short attendance soon results in loss of employment, the long hours are not altogether "voluntary";

(3) That as only inferior work can be obtained from exhausted hands, reasonable work hours are to the advantage of employers as well as of the employed. Protracted and determined as was the opposition to the Factory Act in England, the practical result is now admitted to be beneficial both to manufacturers and to their labourers.

6. I do not think that more than 12 hours' work should be exacted from male hands, and I believe that such limitation of labour would be generally popular. Four holidays in each month should also be allowed.

7. For the protected classes also I think that some further concession is required. The English Act reduced the legal working day for all young persons and children to the time between 6 a.m. and 6 p.m., with one and a half hours for meals. This permits of 10½ hours' work on five days, and on Saturdays no protected person is to work after 2 p.m. I think that this 10½-hour system might be extended to women in this Presidency. With regard to children, I think that if the legal age were fixed at 9 to 14, and one and a half hours allowed for the midday sleep and recreation, the present nine hours, in Section 7 of the Act might be raised to 10.

I have, &c.
(signed) *G. F. Sheppard,*
Commissioner, N. D.

(No. 2152 of 1888.)

From the Collector of Ahmedabad to the Commissioner, N. D.

Sir, Ahmedabad, 28 July 1888.

In reference to Government Resolution, No. 2398, of 11th instant, I have the honour to report on the factories in Ahmedabad City. A copy of Mr. Jones' report has not been furnished me, so my remarks have reference to the *précis* of it furnished by the Secretary of State.

2. (1) Long hours of work and few holidays—

(*a*) *Long Hours.*—The hours worked are just as long as the sun affords light. Work begins at early dawn and ends at twilight. During the months of May and June the recorded time during which the engines were at work at one mill which I recently visited, varied from 7.30 a.m. to 7.20 p.m., with half an hour at midday for oiling the engines. In other words, work continued from 13 hours to 13 hours 20 minutes, and that at a season

a season when the heat was intense, fluctuating on hot days between 112° and 117° in a verandah or tent, with, this year, the addition of cholera raging in a severe epidemic form. But no relaxation was allowed to the *employés* either on the account of the heat or the epidemic.

(*b*) *Few Holidays.*—Only four Sundays a month are allowed, and on those the hands must come for the purpose of cleaning the machinery,—a task which takes from three to five hours. Occasionally a native holiday is kept, but in that case the work goes on the succeeding Sunday to make up for it.

(2) *Arbitrary Fining is rare.*—This mode of punishment is only resorted to when workmen leave or stay away from work without notice or leave. Any one familiar with the lower order of natives must know that the power of fining such offences is absolutely necessary. Occasional cases are heard of when unreasonable or hot-tempered Europeans report men for fines unjustly or arbitrarily, but these are exceptional instances.

(3) *Incompetent Mill Managers.*—None of the mill managers I have met appear incompetent, but rather the reverse. Almost all are pure Europeans. In one large mill, the entire management at one time consisted of natives, and the mill worked and paid so badly that the owners placed it under European supervision. Possibly the managers referred to by Mr. Jones were natives. The Europeans are generally selected men sent out by large firms in England, such as Platts of Oldham, and they do their sponsors credit.

Dangerous Character of Mills and Unfenced Machinery.—This, as far as my observation goes, is unfounded. The machinery is sent out from England with precisely the latest fencing in use in that country. I am necessarily unfamiliar with machinery, but I notice that certain parts of machines are always covered with metal protectors.

(4) *Ill-ventilated and Filthy State of Work-rooms.*—Most mills at first were constructed as shed mills, and the ventilation is insufficient. More apertures are required in the glass of the roof. New mills are being constructed on better principles, with plenty of lateral apertures for ventilation.

Filthiness.—In some places there is a great want of lime-washing and cleanliness, aggravated by the copious expectorations of betel-chewing natives. But in others lime-washing is regularly done, not for sanitation, but because it makes the interior lighter, and the work can continue longer.

3. As regards the *per contras* in the second part of paragraph 2 of the despatch, I would remark—

(*a*) The hours all the year round are from light to dark in Ahmedabad. It is only in the cold weather that the shortness of the days tells, that is to say, at the season when relaxation is less needed than at others. In Bengal, where artificial light is used, I believe that some mills work 13 hours a day all the year round.

(*b*) Mill hands at Ahmedabad receive only moderate wages. For example, Mucadams get Rs. 15 to Rs. 20, hands at the frames and carding machines, reelers, &c., Rs. 7 to Rs. 9, winders Rs. 6, warpers Rs. 10 and so on. The ordinary rate of wages outside for common Coolies is 3 to 3½ annas a day or Rs. 5 a month, and the mill hands are more or less skilled labourers. Beyond the fact that they are regularly paid they have little or no advantage over ordinary labourers, certainly not over *employés* of Railway Companies.

(*c*) I am told that this is the fact. I have no knowledge of it myself.

(*d*) Suggestions for the amelioration of mill hands are not always acted upon by mill owners. For instance, I noticed in one mill that Mr. Jones had drawn attention to the foul state of the compound, which was crowded with *débris*, broken machinery and rubbish. But the evil remains to this

day, worse than before; and I have no legal power to order anything to be done.

4. The Secretary of State inquires in paragraph 3 how the plan of placing the duty of inspecting factories in the hands of Magistrates has answered. I reply that in Ahmedabad it is a complete failure. The Magistrate has far too much else to do to pay constant visits to mills for the purpose of inspecting the young children, and he has no technical knowledge to enable him to espy any particularly dangerous machinery which ought to be fenced. The result is that the rules against the employment of children under 12 on full time are not always acted up to, and that the Magistrate has never yet felt himself in a position to order machinery to be altered.

5. As returns of accidents are sent quarterly, the information relating to them will, no doubt, be summarised in the Secretariat, and need not be repeated again.

6. I certainly think that the age of children should be raised to 14 at least, and that factories should not be allowed to work longer than from 6 a.m. to 6.30 p.m., allowing half an hour at mid-day, without double shifts of men. It should also be in the power of the Inspector to order measures to ensure cleanliness, ventilation, and a pure water supply. It is admitted that the labourers in an Ahmedabad mill are not worked half so hard as in an English one; that cheap though the labour be, it takes two natives (or, according to some very well-informed English managers, three) to do the work of one English hand; that the native hands are given many small privileges which lighten their toil, such as, besides half an hour for dinner, being constantly allowed to go outside for a smoke or for a wash, or even for a talk. And the owner of one of the mills tells me that he has calculated it out and finds it takes just 72 hours' work in India to get the same outturn as 60 hours' work at home. The Ahmedabad mills, too, are not worked so continuously as some in Bombay or Northern India, where it frequently happens that only two holidays a month are given, and that, by the aid of artificial light, the working hours are extended to 8 p.m. Still, after considering all this, I am of opinion that the three amendments I have specified should be added to the law. Matters will, no doubt, adjust themselves in time by the labourers becoming more skilled, and more work being got out of them. If, however, the Government should think it inexpedient to hamper mill-owners by restricting the hours of work, at any rate, in the name of humanity, let them raise the age for children and insist on a good water supply, upon proper ventilation and sanitary appliances.

I have, &c.
(signed) *H. E. M. James,*
Collector.

(No. 2885 of 1888.)

From *C. E. Frost,* Esq., Collector of Kaira, to *G. F. Sheppard,* Esq., Commissioner, Northern Division.

Sir, Kaira, 19 July 1888.

With reference to your No. 2199, dated the 13th instant, desiring me to submit my report on the working of the Indian Factories Act, I have the honour to state that there is only one mill at Nadiád owned by Mr. Manor Harakhchand. I inspected it on the 2nd May last and found it in good order, and the machinery sufficiently protected. I saw no children under seven or any doubtful ones. The children are treated according to rules, and are allowed the usual holidays and intervals required by the rules. The dates of the holidays were written up. A copy of the rules is also hung up in a conspicuous place, and accidents are duly reported. A statement showing the accidents occurred during the past year is herewith forwarded.

2. I have no suggestion to offer in regard to the modification of the Factory Act.

I have, &c.
(signed) *C. E. Frost,*
Collector of Kaira.

STATEMENT showing the Accidents which occurred in the Mill at Nadiád from 1st April 1887 to 31st March 1888.

Name of Person.	Caste.	Sex.	Age.	Nature of Injury (slight or serious).
1. Baudeen Fajul - -	Musalman -	Male -	19	Slight injury to his left-hand fingers by throstle.
2. Lala Kesow - -	Dhed - -	Male -	9	Slight injury to his left-hand fingers.
3. Gaga Chatur - -	Hindu - -	Male -	20	Slight injury to his right-hand fingers.
4. Rasul Husen - -	Musalman -	Male -	40	Serious injury to his right-hand finger.
5. Khoda Jeelha - -	Hindu - -	Male -	35	Slight injury to his right-hand finger.
6. Jaga Jutta - - -	Hindu - -	Male -	25	Serious injury to one of his right-hand fingers.
7. Soma Javer - - -	Hindu - -	Male -	10	Slight injury to one of his right-hand fingers.

C. E. Frost, Collector of Kaira.

(No. 2910 of 1888.

From *T. D. Mackenzie*, Esq., Collector of Broach, to *G. F. Sheppard*, Esq., Commissioner, Northern Division.

Sir, Broach, $\frac{25}{26}$th July 1888.

I HAVE the honour, with reference to your Memorandum, No. 2199, dated 13th instant, to offer the following remarks on the working of the Indian Factories Act at this place, and more especially on the points summarized in paragraph 2 of the Secretary of State's Despatch No. 30, dated 3rd May 1888, embodied in the preamble to Government Resolution, in the General Department, No. 2398, dated 11th instant. At the same time I venture to observe that I am hampered in making the report called for as clear or as full as I could wish, by the fact that I have not been supplied with a copy of the Memorandum by Mr. Jones, and that I am not clearly acquainted with the character of his remarks. It may, however, I think, be presumed that they are generally of an unfavourable character on the four points specified.

2. Taking his points in detail, the first is "the long hours of work and few holidays." I have ascertained that in the three factories here, the Alfred, the Albert Edward (Messrs. Greaves, Cotton and Company), and the Mofussil Cotton Company (late Narbadda Spinning and Weaving Company), the hours for work throughout the year are from dawn to dusk, and range from 11½ hours in the cold season to 13 hours 40 minutes in the hot weather. Sunday is not a holiday, and in fact the only holidays given are some 10 or 12 days during the year on the occasion of important Hindu or Mahomedan festivals. It cannot, I think, be denied that these hours are far too long, and their curtailment would be beneficial to the employés in point of health, although, so far as they are concerned, my inquiries lead me to believe that earning wages by piece work as they do, they themselves would prefer no alteration in the existing system. They are, or would be, but for the employment given by the mills, very poor people, and they would regard a day of release from work once a week, say Sunday, as anything but an unmixed blessing, as they would be deprived of the day's earnings. They get all the holidays their poorer neighbours, who have

to work all the year round, are accustomed to. There can be no doubt "that mill hands are better off, better fed, better clothed, and better protected than ordinary native labourers," and their better off status is proved by the ease with which hands are secured, the competition for places in the mills, and the reluctance with which during temporary difficulties of the mills the hands take their discharge.

3. As to "the occasional withholding the wages," Mr. Jones' second point, I can only conjecture what he has remarked, but it is only reasonable that a manager should, where bad work is done, have some means of punishing it, and I do not see, where paying by results is the system, that much harm is done to the employés if they are fined for bad outturns. They are perfecly well aware of this condition of their employment, and I have had no complaints on this score from the employés, nor can I find from my records that any were made to Mr. Jones himself, when he was inspector, or to any of my predecessors.

4. As to his third point, "the incompetency of mill managers, the dangerous character of many mills, and the inadequate fencing of machinery," I, having had no professional training, can hardly presume to offer an opinion on the competency of the mill managers here; but I do not think it is probable that Messrs. Greaves, Cotton and Company would have retained for so many years their present manager, Mr. Entwistle, had he in any way been incompetent; and Mr. Jones, in reporting on the factories under their management, has hardly ever had anything but praise for them. Regarding the third factory, the Mofussil Cotton Company (late Narbadda Spinning and Weaving Company), it has recently been placed under the management of a European, who, so far as I can tell, is thoroughly competent, but for the reason given above my opinion is necessarily of little or no value. I do not know exactly what Mr. Jones means by "the dangerous character of many mills," but if he alludes to the soundness of their construction, flooring, and roofing, he certainly did not include any of the Broach factories in his censure; nor can I think that he regarded their "fencing of machinery as inadequate." Of course, to a non-professional entering a large factory, at first there is a great appearance of much of the machinery being inadequately fenced, but that feeling very soon wears off, and the small number of accidents and their slight nature, which have taken place here during the last few years, point to the conclusion that the machinery in the three Broach factories is adequately fenced, and that such accidents as do occur are due to the want of ordinary care taken by the sufferers. During the past year there have been reported seven accidents at the Alfred, five at the Albert Edward, and none at the Mofussil Cotton Company. Out of these none were fatal.

5. As to "the ill-ventilated and filthy state of many work-rooms," I can only say that I have almost entirely failed to find that condition in my inspection of the factories here. They are lofty, well-ventilated, and as clean as it is possible to keep rooms where cotton is manufactured, and I have always made a point of inspecting the factories when my visits were not expected. I must however admit that though provision is made for opening nearly every window in the factories, I have constantly observed them shut, and on the last occasion when I went round I drew the attention of Mr. Entwistle, the manager, to this. His answer was to point to the windows themselves and make me observe further that frequently a pane of glass had been removed in order "compulsorily to introduce some ventilation." He had the greatest difficulty, he told me, in getting the hands to allow the windows to remain open, and had therefore hit on this mode, while every evening he had the further precaution taken of having windows opened so as to ensure a thorough draft through the rooms all night long.

6. I do not know whether it is desired that I should offer an opinion as to the way in which the system of placing the duty of inspecting factories in the hands of magistrates has worked, but I think my report would be incomplete were I not to say that, so far as knowledge of the competence of mill managers or the inadequacy or otherwise of the fencing of machinery is concerned, the opinion of any but a professional inspector is worthless. The magistrate can tell

tell equally well with the professional inspector whether children appear to be above or below 12 or 7 years of age, or whether the labourers seem properly nourished, but his only means of judging whether machinery is properly fenced is by the numbers of accidents and their nature, and that alone is not a trustworthy means, for many accidents happen through the grossest neglect of ordinary precautions, but how he is to decide whether a mill manager is or is not efficient I am unable to say. Over these two important matters it seems to me his inspections must necessarily be superficial and valueless.

I have, &c.
(signed) *T. D. Mackenzie,*
Collector, Broach.

(No. 2219 of 1888.)

From *W. Porteous,* Esq., Acting Collector, Surat, to *G. F. Sheppard,* Esq., Commissioner, N.D.

Sir, Surat, 6 August 1888.

WITH reference to Government Resolution, No. 2398, of the 11th ultimo, and your Memorandum, No. 2199, of the 13th idem, I have the honour to report as follows on the working of the Indian Factories Act.

2. I am not in favour of the arrangement which makes the District Magistrate the Inspector of Factories within his jurisdiction. To say nothing of the many other calls on the time of a collector and magistrate, his inspection of a factory must always be more or less unsatisfactory. He has received no technical education, and with the best intentions he may overlook shortcomings or defects which would at once attract the eye of a professional inspector. To take my own case, I know nothing of machinery. I cannot tell whether it is new or worn out. I may insist on a manner of fencing unnecessarily expensive, or I may pass fencing as safe which would not be so passed at home. The pressure at which boilers are working conveys no meaning to me, and I have no standard by which to judge whether the amount of fluff flying about in the rooms is excessive or unusual or deleterious to health. I can see that the premises are clean and well ventilated, that sufficient arrangements are made for the comfort of the workpeople, that young children are not employed; but for adequate inspection I conceive that this is far from sufficient. If I were taken over a typically well-ordered mill in Bombay by a professional expert, and had everything explained to me in detail, and were then shown a mill where all the arrangements were bad; if I had ample time to make myself acquainted with the standard which in each particular should be insisted on; my own visits on duty afterwards to the mills, of which I am the recognized inspector, might be of much more value than, I fear, they now are.

3. I find from my records that there have been only nine accidents reported at the mills in Surat since the 1st January 1887. The inference is that these mills are well and carefully managed, and that the safety of the workpeople is duly looked after.

4. As regards the four shortcomings remarked on by the late inspector, Mr. Jones, I would say—

(1.) That the hours of work are too long, and the holidays are too few. There is generally competition for work at a mill, and the hands have as yet no idea of combining to further their own interests. It is true that they are better off, better fed, and better clothed than ordinary labourers, but I am by no means sure that these results do not follow from the exacting from them an amount of work which must prematurely impair their physical energies. While leaving mill managers, therefore, as much freedom as possible, I think it would be well to lay down the limits of the working day, and in this respect legislation is, in my opinion, called for.

 (2.) Regarding

(2.) Regarding the occasional withholding of wages from workpeople, I can say nothing. No cases of the kind have been brought to my notice.

(3.) Of the three mills now working here, I consider that of two of them the managers, one a European, the other a Eurasian, are competent. The third mill is a new concern, and I should not care to commit myself to an opinion one way or another as to the competency of the manager, a Hindu. In my last Inspection Report I have stated that the machinery of the mills is, in my opinion, adequately fenced.

(4.) Two of the mills which I inspected are well ventilated and sufficiently clean. The third is in a transition state; it is a series of sheds which are gradually being replaced by more permanent buildings.

I have, &c.
(signed) *W. Porteous,*
Acting Collector, Surat.

(No. 5156 of 1888.)

From *H. E. Winter*, Esq., District Magistrate, Thána, to *G. F. Sheppard*, Esq., Commissioner, N.D.

Thána Magistrate's Office,
4 August 1888.

Sir,

I HAVE the honour to send herewith, in answer to your No. 2199, dated 13th ultimo, a statement showing the number of accidents which have been reported to this office since the month of April 1887.

2. I think it necessary in the interests of the mill-hands that it should be enacted that the mills are to be entirely stopped on one day in every seven, and also that the hours of work should be limited. At present mills are worked from dawn to dusk, with a short stoppage in the middle of the day for oiling the engines, &c. Dawn to dusk means a longer day's work than a man can properly do, especially with the stifling atmosphere, in which a considerable amount of the work has to be done, is taken into consideration. I should think nine hours a day, with half-an-hour's interval for rest, an ample day's work.

3. Then the question of children requires legislation. At present if a boy shows the number of teeth prescribed by Government Resolution he is held to be 12, and therefore an adult.

4. I have not myself heard any complaints of the withholding of wages, but the Special Kurla Magistrate, Ráo Sáheb Ganpatráo Jayrám, has, at my request, sent some information, and I quote his words:—

"The special magistrate of Kurla begs to state that verbal complaints have often been made to the undersigned by both male and female hands working in the 'Swadeshi' Mill for withholding their wages by the mill officers under some pretext.

"2. About six months ago there had been a strike in the mill, when working people, about 100 in number, came and complained that, previous to their entering the service, the officers of the mill had promised to pay their wages at a fixed rate, whereas at the time of payment they did not get proper wages, and that they seemed to be unwilling to return to their work, when the undersigned, thinking that the tendency of such strike would tend to put a stop to the working of the mill or hamper the progress of the same, took the trouble of persuading them, and thus bringing them all to reason, and since that time he did not hear of any similar complaints."

5. I am not aware that the managers of either of the Kurla mills are incompetent, but the number of accidents reported seems large, and it is to be regretted that the professional inspector, Mr. Jones, has left the Presidency.

6. The temperature in the mule-rooms is, I believe, necessarily high, and if that is so, the evil effect of working in it can best be remedied by shorter hours of work. I have only visited the two mills at Kurla once, and certainly could not

not say that either of them was in a "filthy" state. In fact, the Kurla Spinning and Weaving Mill seemed to be very clean, and the Swadeshi Mill, though less carefully swept up, &c., was bearable. The rooms in both mills are lofty, but owing to the necessity for a high temperature, ventilation is a difficult matter.

7. I believe that two holidays a month are considered enough for adults. Hindu holidays are those generally observed, and it may so happen that the two fall close together, in which case I am told about three weeks' continuous work without any holiday has to be gone through. Four holidays in a month are prescribed for children.

8. The Swadeshi Mill, which is, I think, the largest in India, is at present not in full work, there being about 2,000 hands employed instead of the full number (about 3,500), and the smaller number presumably tends to make the rooms less unhealthy.

I have, &c.
(signed) *H. E. Winter*,
District Magistrate.

STATEMENT showing the Accidents that have been Reported to the District Magistrate as *Ex-officio* Factory Inspector from the Date of Issue of Government Resolution, No. 733, of 3rd March 1887, General Department, to the 30th June 1888.

Number.	Name.	Caste.	Sex.	Age.	Nature of Injury.	Date of Accident.	Name of the Mill in which the Accident occurred.	Remarks.
1.	2.	3.	4.	5.	6.	7.	8.	9.
1	Mahmood Lal Surrey -	Mahomedan -	Male -	25	Fell into the mill tank and was drowned while in a state of epilepsy.	9 April 1887	Kurla Spinning and Weaving Mill.	
2	Lakshman Rama - -	Mochi - -	Male -	25	Fracture of the skull - - - - -	22 July „	- ditto - ditto.	
3	Genoo Tukaram - -	Hindu -	Male -	18	Crushed his fore-finger between wheels of a throstle.	27 Aug. „	- ditto - ditto.	
4	Ithu Saiaji - - -	Marátha - -	Male -	10	Fore-finger of the left hand wounded by the boy carelessly putting his hand between the wheels of a spinning machine.	12 Sept. „	Swadeshi Mill.	
5	Mahadeo Lakshman -	ditto - -	Male -	35	Wound on the left leg caused by the fall of an iron shaft which the man was carrying.	27 Sept. „	- ditto.	
6	Janoo Sutoji - - -	Hindu - -	Male -	40	Suffocation caused by the fall of cotton mixing -	12 Sept. „	Kurla Spinning and Weaving Mill.	Accident proved fatal.
7	Imam Budekhán - -	Mahomedan -	Male -	40	Scalded, owing to the main valve of the engine suddenly bursting.	29 Sept. „	- ditto - ditto.	- ditto - ditto.
8	Pangia Dukala - -	Hindu - -	Male -	32				
9	Sarawan Simbria - -	ditto - -	Male -	30	Injuries caused by the above accident - -	29 Sept. „	- ditto - ditto.	
10	Acore Lakria - - -	ditto - -	Male -	32				
11	Chima Gondu - -	ditto - -	Male -	40				
12	Emam Soollare - -	Mahomedan -	Male -	35				
13	Lalbhoy Badel - -	ditto - -	Male -	52				
14	Atmaram Bhisia - -	Marátha - -	Male -	16	Hurt on the left shoulder caused by a leather belt snapping and striking against the lad's left shoulder.	19 Oct. „	Swadeshi Mill.	

15	Sitaram Lakshman - -	ditto - -	Male -	18	Laceration of the scrotum and of the skin of the penis caused by the man's dhotir having been caught round the shafting of a drawing frame.	23 Oct. „	- ditto - ditto.
16	Lakshman Rag Sawant -	Hindu - -	Male -	15	Crushed three fingers by carelessly putting his hand into the machinery.	15 Nov. „	Spinning and Weaving Mill.
17	Pallonji Nasarwanji -	Pársi - -	Male -	22	A skin-deep wound caused by the bursting of a bellows.	29 Nov. „	Swadeshi Mill.
18	Manaji Ramji - -	Marátha - -	Male -	25	Wound on the second finger of the right hand caused by the finger getting in between the rollers of a card-engine.	26 Dec. „	ditto.
19	Ania Sakharam - -	ditto - -	Male -	15	Wound on the second finger of the left hand caused by the finger getting caught in a chain.	24 Feb. 1888	- ditto
20	Vithu Jairam - - -	ditto - -	Male -	34	Arm and hand torn off by the waste breaker cylinder.	26 Feb. „	- ditto.
21	Babaji Daji - - -	Hindu - -	Male -	25	Crushed three fingers by carelessly putting his hand under the blow-room beater.	3 March „	Kurla Spinning and Weaving Mill.
22	Ganoo Rowloo - -	ditto - -	Male -	50			
23	Rowji Esoo - - -	ditto - -	Male -	40	Dislocation caused by some scaffolding giving way under their weight.	17 Jan. „	- ditto - ditto.
24	Joaquin Antone De Costa	Portuguese -	Male -	25			
25	Maroti Sakaram - -	Marátha - -	Male -	14	Wound on the sole of the right foot caused by the lad carelessly placing his foot near the fly wheel of a throstle frame.	13 March „	Swadeshi Mill.
26	Muniel George - -	Portuguese -	Male -	22	Two toes slightly injured and one broken by a pedestal falling on his foot from a machine.	13 June „	Kurla Spinning and Weaving Mill.
27	Raghunath - - -	Hindu - -	Male -	30	The first joint of his second finger crushed, owing to his picking waste from betwixt wheels in motion.	27 June „	- ditto - ditto.
28	Ebrahim Aboo - -	Mahomedan -	Male -	10	First joint of index finger taken off by the lad putting his finger between two wheels in frame end.	23 June „	- ditto - ditto.

Summary.

Accidents in Kurla Spinning and Weaving Mill.	19
Ditto, Swadeshi Mill	9
Total - -	28

Thána Magistrate's Office, 4 August 1888.

H. E. Winter,
District Magistrate.

(No. 2878 of 1888.—General Department.)

From *W. H. Propert*, Esq., Commissioner, Southern Division, to *John Nugent*, Esq., Chief Secretary to Government.

Sir, Poona, 18 September 1888.

WITH reference to Government Resolution, No. 2398, of 11th July last, I have the honour to forward in original reports* from the Collectors of Dhárwár and Belgaum on the working of the factories in their respective districts.

* No. 3053 of 23rd July 1888.
No. 3847 of 8th September 1888.

2. The hours of work at the Gokák mills appear to be too long.

I have, &c.
(signed) *W. H. Propert*,
Commissioner, S.D.

(No. 3053 of 1888.)

From *J. K. Spence*, Esq., Acting Collector, Dhárwár, to *W. H. Propert*, Esq., Commissioner, S.D.

Sir, Dhárwár, 23 July 1888.

WITH reference to your No. 1958 of 17th instant, calling for a report on Government Resolution, No. 2398, of 14th idem, I have the honour to state that I have very little to say on the subject. The Factories Act seems to me to work very well. Since the factories came under the inspection of the District Magistrate, *i.e.*, from April 1887 till 30th June, this year the following accidents have occurred:—

Working of the Factories Act.

One fatal accident at the Hubli Spinning Mill owing to a band breaking and striking a youth on the temple, fracturing the skull. The accident was unpreventible.

Eleven accideuts, none very serious, distributed as follows:—

Six in the Hubli Spinning Mill;
Four in the Railway Workshop at Hubli;
One in West's Cotton Pressing Factory.

2. As regards the shortcomings alluded to by Mr. Jones, I do not think that the hours of work are very long in this district, and the workpeople take whatever holidays they please and plenty of them. The Railway Workshop and the Hubli Spinning Mill are the only factories in which work goes on steadily throughout the year. The former is under European supervision of the highest class, and in the latter, work only goes on during day-light. The Cotton Pressing Factories only work hard for about two months of the year.

3. I have never heard any complaint of wages being withheld, and if the practice was general, labour would not be obtainable.

4. The Hubli Mill seems to be under very competent management. I never felt any danger in going round it, and the machinery is fenced in exactly the same way as when Mr. Jones inspected it, and he never expressed disapproval.

5. None of the factories in this district are ill-ventilated or filthy. In fact, I imagine that all Mr. Jones' criticisms applied rather to the Bombay than the Mofussil factories.

6. I have grave doubts whether the cotton presses can be looked upon as factories at all, as I have never seen 100 men employed in them, but I make it a rule to inspect them to be on the safe side.

I have, &c.
(signed) *J. K. Spence*,
Acting Collector, Dhárwár.

(No. 3847 of 1888.)

From *J. Fairlie Muir*, Esq., District Magistrate, Belgaum District;
to the Commissioner, S. D.

Sir, Belgaum, 8 September 1888.

In reply to your letter No. 2192, dated 17th July last, I have the honour to report as follows:—

2. The only factory in this district is that of the Gokák Water Power and Mil Company, situated at the Gokák Water Falls.

3. The hours of work are from 5.30 a.m. to 6.30 p.m., with an interval of an hour at noon. A sufficient number* of holidays is given.

* *i.e.*, all the usual native holidays.

4. Wages are not withheld as far as I can learn.

5. The working machinery is good, not dangerous, and properly fenced.

6. The work-rooms are well ventilated and kept clean.

7. No accidents, fatal or otherwise, have been reported to me or investigated by me.

I have, &c.
(signed) *J. Fairlie Muir*,
District Magistrate.

(No. 1477 of 1888.—General Department.)

From *C. B. Pritchard*, Esq, C.S., C.S.I., Commissioner in Sind; to His Excellency the Right Honourable Lord *Reay*, LL.D., G.C.I.E., Governor and President in Council, Bombay.

Commissioner's Office, Camp Jacobabad,
23 November 1888.

My Lord,

With reference to Government Resolution, No. 2398 of 11th July 1888, and No. 3493 of 4th October 1888, calling for a report on the working of the Indian Factories Act, I have the honour to report that at present there are only four factories in Sind, as noted in the margin, which come under the operation of the Act, viz.: three in Karáchi and one in Sukkur, and so far as Sind is concerned, I think the present plan of imposing on the district magistrates the duty of inspecting and reporting on factories situated within their districts once at least in each quarter has answered satisfactorily.

North-Western Railway. Workshop at Karáchi.
Workshop at Sukkur.
Messrs. T. Cosser & Co., Karáchi.
Messrs. M'Kenzie & Co., Karáchi.

2. The average working hours in the factories in Sind appear to be nine hours per diem. These are not excessive. From the reports received it appears that no women or children are employed in any of the factories, and that the system of closing factories for one day in the week (*i.e.*, Sunday) already obtains in Sind, except on occasions of urgent necessity when the men are paid for overtime. There would, therefore, seem to be no objection so far as Sind is concerned, to the proposed amendment of the Act as regards, (1) restricting the hours of labour in the case of adult women and children, and (2) the closing of factories for one day in a week.

3. The collectors of Karáchi and Shikárpur report that, so far as can be ascertained, there have been no complaints regarding any of the matters referred to by Mr. Jones, under (1), (2), (3), and (4).

4. Two statements showing the accidents that have occurred in the Karáchi and Shikárpur districts are appended.

I have, &c.
(signed) *C. B. Pritchard*,
Commissioner in Sind.

STATEMENT showing Accidents reported under the Indian Factories Act XV. of 1881, in the Karáchi District.

NOTE.—Act made applicable to whole of British India on 1st July 1881.

No.	Quarter ending.	Localities where Accidents occurred.	Date of Accident.	Particulars.
1	31 Mar. 1882	Railway Workshops, Karáchi.	2 Mar. 1882	An accident was reported, whereby one of the workman lost his hand through his own neglect.
2	30 June „	Messrs. T. Cosser & Co.'s Factory at Karáchi	19 April „	An accident occurred, not in any way due to neglect of proper precautions.
3	30 Sept. „	Railway Workshops, Karáchi.	29 Aug. „	An accident occurred. It was not in any way due to neglect of proper precautions, and was the result of the man's own carelessness.
4	30 June 1883	- - ditto - ditto -	31 May 1883	An accident occurred, in which a man had the tip of the little finger of the right hand cut off by his hand coming in contact with the drilling machine whilst cleaning. The accident was not in any way due to neglect of proper precautions, but to the carelessness of the man.
5	30 June „	- - ditto - ditto -	1 April „	A man fell from a wagon and was removed to the Civil Hospital for treatment, having received internal injuries, from which he died the next day.
6	30 Sept. „	T. Cosser & Co., Karáchi	25 July „	A boy over 12 years old had the fingers and thumb of his left hand injured by the change wheel of a screw-cutting lathe. The accident was not in any way due to neglect of proper precautions, but to the carelessness of the boy himself.
7	30 Sept. „	Railway Workshops, Karáchi.	18 July „	A man, aged 30, had the top of his left foot badly hurt by a fall of the chuck of a lathe whilst lifting.
8	30 Sept. 1884	T. Cosser & Co., Factory, Karáchi.	3 Sept. 1884	An accident occurred when weighing an iron rail. It slipped off the weighing machine on to both feet of a coolie, who was so injured that he had to be sent to the Civil Hospital. The accident was in no way connected with machinery, which was all properly fenced in.
9	31 Mar. 1885	- - ditto - ditto -	21 Feb. 1885	A man injured the thumb of his left hand by carelessly winding the machinery of a crane. This accident was not caused by any neglect to have the machinery properly fenced.
10	31 Mar. „	Railway Workshops -	9 Feb. „	A lad was tending a lathe and carelessly allowing the planing chisel to cover the third finger of his right hand.
11	31 Mar. „	- - ditto - - -	21 Feb. „	A man received an injury to his head by the accidental falling of the swing-door of a low-sided wagon. Neither of the above two accidents was caused by any want of proper fencing to the machinery.
12	30 Sept. „	- - ditto - - -	- -	A workman lay down to sleep in the workshop premises with one arm lying across a rail when wagons were being shunted. A wagon-wheel cut the man's arm off at the shoulder, and he died in hospital soon afterwards.

STATEMENT showing Accidents reported under the Indian Factories Act XV., &c.—*continued.*

No.	Quarter ending.	Localities where Accidents occurred.	Date of Accident.	Particulars.
13	31 Dec. 1886	T. Cosser & Co.'s Factory -	- -	A lad lost a finger by placing it in the groove of a platform traversed by heavy machinery.
14	31 Dec. „	Railway Workshops -	- -	A workman lost his hand by stupidly placing it inside a cog-wheel of machinery in motion.
15	30 June 1887	- - ditto - - -	26 April 1887	A sawyer had his muscle of right arm knocked up with a piece of wood accidentally. The accident was caused through sawing a piece of wood which jumped up accidentally and caught the man's arm. The injured man was removed to the Civil Hospital.
16	30 June „	- - ditto - - -	28 April „	A riveter had his right foot ankle dislocated while rivetting the roof plate of a wagon, the trestle on which he was standing gave way accidentally, and the man fell down from about 12 feet high.
17	30 June „	- - ditto - - -	10 June „	A coolie had his right leg broken through a rail used for unloading teak timber logs accidentally slipping. He was sent to the Civil Hospital for treatment.
18	31 Mar. 1888	- - ditto - - -	- -	A man engaged in the factory yard shunting wagons was through carelessness caught and injured between two of them, but he quite recovered.
19	30 June „	- - ditto - -	2 June 1888	A slight accident occasioned by a workman putting his hand in slat of a slatting machine while at work.
20	30 Sept. „	- - ditto - - -	3 July „	A machine-man had his fingers of left hand squeezed by putting his hand in slatting machine while at work.
21	30 Sept. „	- - ditto - - -	9 July „	A man got his right hand sprained by accidentally falling into the sawmill pit.
22	30 Sept. „	- - ditto - - -	1 Aug. „	A painter got his right foot hurt through wrestling with a machine-man during meal hours.
23	30 Sept. „	- - ditto - - -	4 Aug. „	A coolie had his right hand finger slightly injured by his finger being caught between two buffers while shunting.
24	30 Sept. „	- - ditto - - -	10 Aug. „	A coolie got his right hand first joint of first finger cut off through putting on the brake of a wagon while hand shunting.
25	30 Sept. „	- - ditto - - -	16 Aug. „	A carpenter had his right foot hurt by a buffer falling on it accidentally.

R. L. Crawford, Colonel,
Collector of Karáchi.

STATEMENT showing the Accidents that occurred in the Factory Railway Workshops at Sukkur from 1st January 1888 to 31st August 1888.

Number.	Date on which the Accident took place.	Details of the Accident.
1	12 April 1888 -	Shupal, coolie, received a large incised wound on his left knee by the fall of an axle box, and was removed to the hospital. The injuries were not serious.
2	30 May „ -	The first two fingers of the right hand of coolie Daya valad Ishardas were cut off while cleaning the radical drilling machine with Jute. He was immediately removed to the dispensary.
3	30 May „ -	Ahmad valad Feroz received a contused wound of the right leg while discounting a portion of the 10-ton crane, and was immediately sent to the dispensary.
4	2 June „ -	Lalu valad Ludho, a turner, had the second finger of his right hand cut off while engaged in cleaning the machine, and was sent to the dispensary.
5	4 June „ -	Khandin valad Nizamdin had two fingers of his right hand crushed while taking out the Dupin of Engine No. 230, L class. He was at once sent to the dispensary.
6	8 June „ -	Mangatsing, Hindu, received an incised wound in the right arm while attaching the coupling chain, and was removed to the Locomotive Dispensary.
7	15 June „ -	One Gashita, aged 18, years received a flesh wound by the fall of a buffer on his left foot while removing it. He was sent to the dispensary for treatment.
8	22 June „ -	Kirpa, Hindu coolie, got an incised wound on the left foot by the fall of a piece of iron while working at a 30-ton crane, and was removed to the dispensary.
9	28 June „ -	One Muhtabsing, Hindu, aged 40 years, received a contusion of the third finger of his left hand while grinding eccentric of Engine No. 509. He was removed to the dispensary.
10	12 July „ -	One Muhamuda, a Mahomedan, aged 82, received injury to the left arm, and his leg was bruised through the falling of an iron plate. He was immediately removed to the dispensary for treatment.
11	20 July „ -	A Hindu, by name Devising, aged about 30 years, received a strain of shoulder-joint by the fall of a casting on his shoulders. He was sent to the Locomotive Dispensary for treatment.
12	8 August „ -	Heman, Hindu, received a contused wound of left hand middle finger by the fall of a piece of iron on the finger. He was removed to the Locomotive Dispensary for treatment.
13	20 August „ -	A coolie by name Labori, aged about 15 years, received an incised wound on thumb of the right hand while cleaning drilling machine while in motion.

Sukkur, 5 September 1888.

Alfred Mayhew, Colonel,
Collector of Shikárpur.

(No. 50, dated Bombay Castle, the 5th January 1889.)

From *J. Nugent*, Esq., C.S., Chief Secretary to the Government of Bombay; to the Secretary to the Government of India, Home Department.

IN continuation of my letter, No. 4387, dated 10th December 1888, I am directed to forward herewith copy of a letter, No. 6278R., dated 20th idem, from the Commissioner, Central Division, and of the *précis* therewith, received on the subject of the working of the Indian Factories Act in the Central Division of this Presidency.

(No. 6278 R., dated Poona, the 20th December 1888.)

From *J. G. Moore*, Esq., Officiating Commissioner, Central Division, to the Chief Secretary to the Government of Bombay.

Referring to Government Resolution, No. 2398, dated 11th July 1888, and the Under Secretary's Memorandum, No. 3493, dated 4th October last, I have the honour to submit, in original, with a *précis*, the report* of the collectors, Central Division (excepting Ahmednagar and Satara), supplying the required information in connection with the working of the Indian Factories Act.

2. It

* *Note.*—The reports have not been printed, as they are all summarized in the *précis*.

2. It will be seen that the collectors of Násik and Sholápur are not opposed to the plan of placing the duty of inspecting factories in the hands of magistrates or of Government engineers. Mr. Loch, the collector of Khádesh, however, expresses the opinion that the work of inspection should be left in the hands of a trained expert possessing the necessary technical knowledge of machinery. On the other hand, the collector of Poona thinks, for the reasons given, that the inspection of the Government military factories by the district magistrate is neither necessary nor desirable. I fully endorse Mr. Vidal's opinion, and recommend that the present system of inspection, with the modification suggested by that officer, may be allowed to stand.

3. In the above connection Mr. Loch further suggests that the provisions of the Factory Act should be extended to the lesser factories. If his suggestion were carried out, it would be necessary, as he points out, to employ the services of trained men. But such a proposal it would be difficult to accept owing to financial considerations, and as no case has been made out for condemning the supervision exercised by the collectors and their assistants, I am not in favour of giving that proposal a trial.

4. I am at one with the collectors consulted in thinking that it is not necessary, in the circumstances, to make the provision of the Act more stringent.

5. The collector of Násik is silent with regard to the accidents reported to, or investigated by inspectors, and the information supplied by the collector of Khándesh is not full. But the reports of these officers, as well as those of the collectors of Sholápur and Poona, go to show that accidents have not been frequent in their districts except, perhaps, in the case of the Small Arms and Ammunition Factory at Kirkee. Considering, however, the constitution and the working of this latter factory, it cannot be said that the number of accidents reported for the years 1883 to 1888 is very large.

6. With regard to the first of the four shortcomings commented on by Mr. Jones, I may, generally, state that the hours of work are kept within proper limits, and that a sufficient number of holidays is allowed to mill-labourers. Mr. Loch remarks that 10 to 11 hours' work all the year round is rather too much, and suggests that nine hours be fixed as the maximum; and I agree with him. The suggestion of the collector of Sholápur, that the definition of "child," as given in Act XV. of 1881, should be made to embrace all children under 14 years, is one deserving of consideration.

7. In connection with the other three shortcomings noted by Mr. Jones, the collectors' reports do not disclose anything that requires a remedy. Generally speaking, wages are not withheld, competent managers are employed, the mills are not dangerous, machinery is adequately fenced, and the work-rooms are well ventilated and properly kept. Writing on the subject of the fencing of machinery, the collector of Sholápur observes as follows:—

"Though the fencing of the machinery is duly carried out, still the machines seem to be too close in many instances for security. Safety is imperilled by the desire to economize space to the greatest possible extent. * * * I am unable to say that accidents have occurred from this cause, but it certainly seems likely that they would occur. The machinery is not of a kind to require fencing if the machinery were kept a reasonable distance apart."

I consider there is much force in the above observation, and trust that matters may be set right by the enforcement of a provision to that effect.

8. I have no other remarks to offer, except that I feel I am writing under a disadvantage, as I have not, with the exception of the factories at Poona, had an opportunity of visiting any of those to which allusion is made. I beg that the collectors' reports with their accompaniments, may be returned to this office when no longer required.

Précis of the Reports of the Collectors of Násik, Sholápur, Poona, and Khándesh, on the subject of the working of the Indian Factories Act.

Násik. Mr. Mulock reports that there is but one factory in the Násik district, viz., the workshop of the G. I. P. Railway at Igatpuri, and that none of Mr. Jones' remarks would apply to it. He further reports that the hours of work are moderate, that the wages are not withheld, that the manager is most competent, that fencing is adequate, and that the work-rooms are neither ill-ventilated nor filthy.

Sholápur. In submitting a statement containing the information called for by the Government of India in paragraph 3 of their letter, Mr. Woodward states that they are two mills in the Sholápur district, one at Sholápur itself, and the other at Barsi, and that the inspection of these can be safely entrusted to the district magistrate, provided that he can delegate his powers, under the Act, to his subordinates. He further states that the executive engineer can always be consulted should his special knowledge be needed. He thinks that the provisions of the Act, generally, are stringent enough if duly enforced. He, however, observes that the hours of labour set down for adults are often too long for boys who bear certificates of being above 12 years of age, and considers that the definition of "child" should embrace all children under 14 years of age instead of under 12. Mr. Woodward remarks that though the fencing of the machinery is duly carried

out, the machines seems to be too close in many instances for security. He adds that safety is imperilled by the desire to economize space to the greatest possible extent, and that it is likely from this cause that accidents would occur. The machinery is not, in his opinion, of a kind to require fencing if the machines are kept a reasonable distance apart.

Poona.

Mr. Vidal reports that there are in all five factories in the Poona district, that of these three are Government factories under the charge and management of military officers, that the fourth is a railway factory, and that the fifth was a paper manufactory recently established and worked by a company. Mr. Vidal thinks that no modification of the Act of 1881, in the direction of additional stringency, is called for as regards any of the factories now working in the district. He further thinks that the inspection of the Government military factories by the district magistrate as *ex-officio* inspector is, under the circumstances, unnecessary and undesirable, (1) because the factories are under the supervision of experienced and scientific officers who are, as a rule, far better judges than the *ex-officio* inspectors as to all questions affecting the machinery and the measures necessary for preventing accidents and securing proper ventilation; (2) because at present no children under 12 are employed; and (3) because, even should children under 12 be employed, the full working hours of these factories are well within the maximum time (nine hours) prescribed for children under the Act. These factories are, moreover, closed on Sundays, so that the provisions of the Act as regards holidays would be fully met even if children under 12 were employed. Mr. Vidal considers that there is no question as to withholding of wages, and that, as regards cleanliness and sanitary arrangements, the superintendents can hardly require the advice of the inspector. There seems to him, therefore, to be no *raison d'être* in these cases for an *ex-officio* inspector. The inspection in such cases, if purely formal, is clearly superfluous, and if other than formal and resulting in active interference, is likely to cause unnecessary friction. He adds that the railway factory at Lonávla stands on a different footing from the Government factories, though the conditions are in most respects similar, that this factory is also, as a matter of course, under skilled and thoroughly trustworthy management, and that the occasions on which interference by an inspector is called for as regards machinery, ventilation, cleanliness, and general management, must necessarily be very few and far between. He further adds that no children under 12 are employed, and that the full working hours are within the maximum prescribed for children under the Act. In this case, although it may be desirable to continue the present system of inspection, there is clearly, in his opinion, no case for more stringent legislative measures. He states that the Reay Paper Mill at Mundhwa, which was established in 1887, is under competent management, that a few children under 12 are employed, but that their working hours do not exceed the maximum prescribed under the Act. He further states that the official inspection of this and all similar factories where the realization of large dividends on invested capital is the primary object, is certainly necessary, but that, under existing conditions, the Act is sufficiently stringent for the protection of labour without any further modification.

Khándesh.

Mr. Loch intimates that nearly all the factories in the Khándesh District are either cotton gins or cotton presses, and that a large number employ less than 100 hands and are not therefore under the Factory Act. He further intimates that, besides the gins and presses, there are a spinning and weaving mill at Jalgaon, and large railway works at Bhusával. The latter, he adds, are thoroughly well managed in every respect. With regard to the Jalgaon Mill, he states that the hours of work are from sunrise to sunset, with an interval of an hour or so in the middle of the day, and that there is no night-work. The working day therefore comprises from 10 to 11 hours of actual work, and this all the year round is too much in his opinion. He thinks that in no case should more than 10 hours' work be allowed, and he prefers nine hours as a maximum. He reports that wages are paid weekly, that the Hindu holidays are observed, that wages are not withheld to any great extent, that the Mill Company have competent engineers, that the work is well looked after, that the buildings are well ventilated, and that he has never noticed the work-rooms in a filthy state. Mr. Loch is of opinion that the Factory Act should be made applicable to all the lesser factories. He does not say that the system of having the factories inspected by the Assistant and Deputy Collectors has worked badly, but he desires that the work should be done by a trained man, who could tell whether the boilers and machinery were safe or not. He remarks that the Assistant and Deputy Collectors have not the technical knowledge necessary to enable them to do this, and that it would be hard to blame them if an accident occurred which a trained man might have foreseen. Moreover, he does not understand (if the Act be extended to the lesser factories) how the Assistant and Deputy Collectors are to visit them all once a quarter without interfering seriously with their tour.

J. Moore,
Offg. Commissioner, Central Division.

BENGAL.

(No. 2048J., dated Dacca, the 20th November 1888.)

From *J. A. Hopkins*, Esq., C.S., Officiating Commissioner of the Dacca Division; to the Secretary to the Government of Bengal, General Department.

WITH reference to your letter No. 1679, dated 10th September last, and subsequent reminders, I have the honour to submit herewith copy of a statement showing all the factories in the district of Dacca registered under the Factory Act, since its introduction, and the number of accidents, fatal or otherwise, which have occurred in each of them.

There are no other factories in any other districts of this division.

STATEMENT OF FACTORIES.

Serial Number. 1.	Locality where situated. 2.	Name of Factory. 3.	Nature of Occurrence. 4.	REMARKS. 5.
1	Naraingunge - -	Messrs. M. David & Co. -	1. In 1876, one engineer got hurt on the head by falling of a piece of iron. 2. In 1877, one up-country man was injured by falling of a beam. 3. In 1887, two men got hurt by a package of jute falling on them. 4. In 1886, the legs of two men were fractured by a package of jute falling on them.	
2	- ditto - -	Messrs. Ralli Brothers -	1. In 1883, one up-country man got hurt in his leg by falling under a *trolly*. 2. In the same year one man got injured by a package of jute falling on his leg.	
3	- ditto - -	Messrs. Field, Wilson & Co.	No occurrence.	
4	- ditto - -	Messrs. R. Sim & Co. -	In 1883, one man was hurt by a package of jute falling on him.	
5	- ditto - -	Mr. M. Highcazany -	No occurrence.	
6	- ditto - -	Mr. D. Easton - -	- ditto.	
7	- ditto - -	Mr. R. C. Donaldson -	- ditto.	
8	- ditto - -	Union Jute Co. - -	- ditto.	
9	- ditto - -	Mr. M. Sarkies - -	- ditto.	
10	- ditto - -	Messrs. Binkmgre Brothers & Co.	- ditto.	
11	- ditto - -	Mr. J. Nicholas - -	- ditto.	
12	Sital Lakhya in Naraingunge.	Messrs. M. David & Co. -	- ditto.	*Vide* entry 1.
13	Kasipur in Naraingunge.	- ditto - ditto -	—	
14	Debidas ghat in Dacca.	George Alexander & Co. -	Nil.	

Dacca Magistracy,
8 November 1888.

L. Hare,
Officiating Magistrate.

(No. 2080.)

COPY submitted to the Secretary to the Government of India, Home Department, with the request that the necessary alteration may be made in the statement appended to Mr. Nolan's letter, No. 130T.—G., dated the 10th November 1888.

By order of the Lieutenant Governor of Bengal,
(signed) *W. Maude*,
Officiating Under Secretary
to the Government of Bengal.

Calcutta;
General Department.—Miscellaneous,
29 November 1888.

NORTH WESTERN PROVINCES AND OUDH REPORTS.

(No. 2385—III.—234-46, dated Allahabad, the 7th December 1888.)

From *T. W. Holderness*, Esq., Secretary to the Government of the North-Western Provinces and Oudh, General Department; to the Secretary to the Government of India, Home Department.

In continuation of my letter, No. 2045—III.—234-45, dated 22nd November 1888, I am directed to submit a report by the Director of Land Records and Agriculture on the working of the Factories Act in these provinces. His report deals with all factories established at Cawnpore, and also with the Lucknow Paper Mills and the Oudh and Rohilkhand Railway Workshops. There are, however, two or three other factories in the province regarding which information is awaited. As it is understood that the Government of India is anxious for the early submission of the report, the Lieutenant Governor and Chief Commissioner has decided to submit the Director's letter without further delay. When complete information has been obtained, it will be immediately communicated to you along with an expression of his Honour's views.

(No. T.—112 A., dated Naini Tal, the 21st September 1888.)

From *W. F. Wells*, Esq., Officiating Director of Land Records and Agriculture, North-Western Provinces and Oudh; to the Secretary to the Government of the North-Western Provinces and Oudh.

I have the honour to submit the report called for in your No. 828—III.—234-25, dated 30th June, giving cover to a letter from the Secretary of State, calling for a report on factories. I have already explained, in my No. T.—110A., dated 1st September 1888, the reason for the delay in the submission of the report.

2. As soon as the papers reached me, I proceeded to Cawnpore, which is the chief manufacturing centre in these provinces, and placing myself in communication with the local Inspector of Factories, the District Superintendent of Police, I went over most of the factories which are under the Act.

3. In giving results of my observations, I will follow the order adopted in paragraph 2 of the Secretary of State's Despatch.

(1.) As a rule in the Cawnpore factories no work is done on Sundays, and the principal Christian, Hindu, and Muhammadan holidays are duly observed. Work is stopped on Saturdays about four o'clock to clean machinery, and I do not think there can be any complaint of the small number of holidays. The hours are somewhat long, ordinarily from 5.30 a.m. to 6.30 p.m., except in the Government Saddlery and Harness Factory, though these hours are of course curtailed somewhat in the cold weather, when the days are short. An hour is given in the middle of the day for food, and a system appears to obtain of allowing 20 per cent. of the workmen in a room to be out at a time by means of a pass given by an overseer, to get water, smoke, &c. The registers of children show them all as working eight and a-half to nine hours. In practice, I believe that they all come and go with the other workpeople. But it is stated that they are allowed rather more liberty than the others to go outside and amuse themselves. The North-Western Provinces Jute Mills pay a schoolmaster to teach the children from time to time when they are out of the factory; but on the occasion of my visit he was absent and no one seemed to know much about him except that he drew his pay. Without accusing the masters of any deliberate intention to evade the provisions of section 7 of the Factory Act, it appears to me doubtful if it is fully complied with. To secure its proper observance, no child should be within the factory walls more than nine hours a day, whereas, as a fact, they are generally to be found there during 12 hours, and whether within that period they are allowed to run outside for intervals aggregating three hours is a matter entirely at the discretion of the foremen in the work-rooms. I venture to suggest that there can be no guarantee that the law is observed unless some rule is made for each factory, say for a factory working from 5·30 a.m. to 6.30 p.m., with dinner hour at 12, no child shall be allowed to remain within the walls after four o'clock. But this, again, would prevent children coming and going with their parents, and would probably result in driving many children between seven and 12 out of employment, and would be felt as wrong by both employers and employed. As far as the adults are concerned, it does not appear that hours call for any fresh legislation.

(2.) *The*

(2.) *The withholding of Wages.*—All factories pay their hands 15 or 20 days after the close of the month for which the work has been done. But as the pay is distributed regularly every month, this is not a cause of complaint. It is a practice absolutely necessary in this country, where there is no well-defined law of master and servant, to prevent hands leaving without notice.

(3.) All Cawnpore mills employ competent and highly-paid managers from England, and have a considerable European supervising staff. The machinery is the best procurable, and appears to be kept in splendid order. The fencing appears to be generally adequate. The North-Western Provinces Jute Mills struck me as somewhat overcrowded with machinery, and accidents would be more likely to occur in consequence of this overcrowding.

(4.) The workrooms are clean and well ventilated.

4. With reference to Clauses (*a*) to (*d*), paragraph 2, of the Secretary of State's despatch, I may observe that it may be considered that the mill hands in Cawnpore are better off, better fed, and better clothed than ordinary native labourers, and I understand that suggestions for the amelioration of condition of the hands are attended to by managers.

5. The inspection of factories in Cawnpore was for some time done by the magistrate himself; but now the district superintendent of police has been appointed inspector of factories. The inspections are carried out towards the close of each half-year.

6. From the notes recorded in the inspection register, it would appear that the inspector has considerable difficulty in getting the registers prescribed under the Act written up to date. And there is reason to suppose that children often are taken on and discharged after short periods without their names even having been entered in the register. I myself came upon one very young child, who had been working for five days without his name having been entered in the factory register of children. In his last inspection of this factory, the inspector noted similar cases. In the Muir Mills I found merely the year entered in column 8 of Form D. (date of admission), and in some cases 1886 succeeded 1888, which was confusing; but it was explained by the manager that in these cases children had gone away and come back, and the year in which they first worked was entered. In the Cawnpore Cotton Factory, at his last inspection, 4th June 1888, the inspector noted: "Register (of children employed). No entries since 29th December; showed 21 children; but it appears 36 are employed. To be of any value the register prescribed must be written up to date." The inspector directed that this should be done; but it could not be said that this register was kept as required by Section 11 of the Act, and the mills were liable to prosecution under Section 15.

7. I venture to suggest that stringent orders should be issued that every child should be entered in Form D. immediately he is taken on, with the date in full of his admission. This is the meaning of keeping up a register, and prompt prosecution should follow any default in this matter.

8. This appears to be further necessary as the inspector informs me that he believes boys are often entertained whose ages are doubtful. In two rooms which we visited together there was on our entrance a sudden stampede of small boys from another door, and I myself noticed something of the kind in another mill. But the inspector informs me that he has frequently noticed similar stampedes; and he is disposed to believe that some of these boys are not entered in the register, or else ran away for fear of being pronounced too young, and so losing their employment.

9. The Cawnpore Woollen Mills have ceased to employ children, saying they are more trouble than they are worth. But from what was said to me about the employment of children at the Elgin Mills, I gather that any further restrictions would be unfavourably received.

10. *Accidents.*—I append a table (Appendix A) showing the factories at present under the Act, the number of employés, and the accidents; also a table (Appendix B.) showing their accidents classified in the same manner as in the report on English factories. The accidents are taken from the police record for the last two years, the number of employés are those recorded at the last inspection. These numbers of course fluctuate daily; but, except in the case of the children at the Cawnpore Cotton Mills, the figures given are a fair average. I have separated the figures for the first five factories, as the harness and shoe factories only have a little machinery. The per-centage of accidents at the Cawnpore Cotton Mills may be left out of consideration; but it will appear that at the Elgin and Jute Mills the per-centage of accidents to children employed is considerably greater than in the case of adults; while in the Muir Mills it is less, and again in the boot factory it is high. So far as per-centages are of any value, it would appear that the proportion of accidents to children, who are not supposed to be employed on dangerous machinery, is somewhat high.

11. From the inspection notes I gather that some accidents occur from children taking their food under throstle machines (against orders *and in order to save their food hour to play in*), that children are employed in the mule rooms, and, in spite of the provisions of the law, are sometimes allowed by reckless foremen to run in and clean the machinery when in motion. One inspector noticed on the undesirability of allowing very young children, who come in with their mothers, to be in rooms where there is steam machinery. I myself noticed in the Muir Mills some women picking cotton on the ground with some very young children, and steam machinery working a few feet off.

12. On the whole, the number of accidents is not very considerable, and they are chiefly due to the carelessness of the employés themselves. I would suggest that each Inspector should be directed to keep an *accident register* in English, and to send in an abstract, in the form of the appendices attached to this note, when reporting to the Commissioner. The submission of this report has been further delayed for a fortnight since my visit to the Cawnpore factories on account of the Inspector having to search all through two years' records to give the required particulars of accidents.

13. Besides inspecting the Cawnpore factories. I visited the paper mills at Lucknow. No children are employed; the manager is competent; machinery is good and well fenced; rooms good; workpeople regularly paid; hours the same as at Cawnpore; the ordinary holidays given; work stopped on Sunday.

14. The same remarks apply to the workshops of the Oudh and Rohilkhand Railway. But in these work commences at 6 a.m. and stops at 4 p.m., with an hour's interval for food at 10-30. The shops are closed, except for urgent work, on Sundays; and every Saturday a half holiday is given. There was only one accident in 1887. The registers of children are duly kept up. The magistrate of the district is the Inspector. The last inspection of the Lucknow factories was made two years ago. It should be made half-yearly.

15. The Magistrates of Benares and Meerut report that they have no factories under the Act. I have been unable to obtain any reply on the subject from the Magistrates of Agra and Allahabad; but as I do not think there are any important factories there, I have not thought it desirable to delay this report any further.

16. In conclusion, I may observe that the condition of factories in these provinces appears satisfactory, and, except possibly as to the working hours for children, does not call for legislation of a more stringent character.

17. The report of Her Majesty's Inspector, forwarded with your letter under reply, is herewith returned.

APPENDIX A.

Name of Mills and Factory.	Men.	Women.	Total Adults.	Children.	Total Employed.	Accidents to Adults in Two Years.	Accidents to Children in Two Years.	Annual Percentage of Accidents on Adults.	Annual Percentage of Accidents on Children.	Percentage of Total Accidents on Adults and Children.	Remarks.
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.
(1.) Elgin Mills - - - -	820	88	908	117	1,025	10	4	·55	1·7	·68	
(2.) Woollen Mills - - -	447	69	516	—	516	7	1	·68	—	—	Children not employed now.
(3.) Muir Mills - - - -	1,191	108	1,299	284	1,583	23	3	·88	·53	·82	
(4.) Cotton Mills - - - -	514	54	568	36	604	5	3	·44	4·16	·66	Number of children recently much reduced; percentage is therefore somewhat misleading.
(5.) Jute Mills - - -	279	20	299	63	362	5	2	·83	1·59	·97	
Total - - -	3,251	339	3,590	500	4,090	50	12†	·70	1·20	·76	
(6.) Boot Factory - - - -	1,156	3	1,159	29	1,188	1	1	·04	1·72	·08	
(7.) Government Harness and Saddlery Factory.	1,400	—	1,400	108	1,508	2	—	·07	—	·06	
(8.) Victoria Mills* - - -	—	—	—	—	—	2	—	—	—	—	Not in full work, and not imported yet.

* New; with the newest appliances to prevent accidents, and machines specially placed with this point in view.

† Excluding No. (2).

APPENDIX B.

Name of Mills and Factory.	Nature of Injuries and the Parties Injured.												Remarks.
	(a.) Causing Death.		(b.) Amputation of Limb.		(c.) Fracture.		(d.) Injury to Head and Face.		(e.) Laceration and Contusion.		Total.		
	Adults.	Children.	Adults.	Children.	Adults	Children.	Adults.	Children.	Adults.	Children.	Adults.	Children.	
Muir Mills	—	—	—	—	1	1	1	—	20	3	22	4	
Elgin Mills	—	—	—	—	3	—	—	—	7	4	10	4	
Woollen Mills	—	—	1	—	1	—	—	—	4	1	6	1	
Cotton Mills	—	—	—	—	—	—	—	1	3	3	3	4	
Jute Mills	—	—	—	—	—	—	—	—	4	1	4	1	
Government Harness Factory	—	—	—	—	—	—	—	—	2	—	2	—	
Government Boot Factory	—	—	1	—	1	—	—	—	2	—	4	—	
Victoria Mills	—	—	—		—	—	—	—	—	—	—	—	
Total	—	—	2	—	6	1	1	1	42	12	51	14	

(No. 17 A.—III.—234.—86, dated Camp Abdullaganj, the 3rd January 1889.)

From *T. W. Holderness*, Esq., Secretary to the Government of the North-Western Provinces and Oudh, General Department, to the Secretary to the Government of India, Home Department.

"No. 1885. Yours 24th. Factories Act. Please report immediately on the information already available, and separately on any further information when complete."

In compliance with your telegram cited in the margin, and in continuation of my letter No. 2385, dated 7th December, I am directed to submit the replies of Magistrates of all districts (the district of Allahabad excepted), in which factories coming within the jurisdiction of the Act are situate. I am also to submit the circular letter of this Government on which the replies have been based, and to say that a separate report will be submitted in respect of the Allahabad district, the reply of which has not yet been received.

2. The replies are generally to the effect that the hours of work for men, women, and children are not unreasonably long; that with regard to children the statutory limit of nine hours work *per diem* is strictly observed, and intervals of rest duly allowed; that wages are not withheld and deductions in the shape of fines are unfrequent and not excessive; that the mill-managers are competent and sufficiently skilled; that the mills are not dangerous in character, and in general the machinery is adequately fenced; that the work rooms are not filthy and are with very few exceptions well ventilated. The Magistrates also bear testimony to the popularity of the mills; to the healthy appearance of the workpeople, and especially of the children; to the beneficial effect on the labour market which this new demand for labour and the comparatively high rates of wages paid by the mills exercise; to the readiness of the owners and managers of factories to comply with any suggestions made by the inspecting officers, and to the absence of distinct abuses or evidence of over-work and ill-treatment. As regards the question of working-hours the Magistrates state that the prescribed hours in most mills appear somewhat long, but that in practice the labour performed by the operatives is less strenuous, and the unrecorded intervals of rest more frequent than is the case in a factory in England. In the case of children, especially the actual working hours are said to be considerable less than the time spent by the children within the walls of the factory. In the cotton and woollen mills Sundays and also gazetted holidays appear to be observed as close holidays, and the operatives are in the habit of taking leave on the occurrence of religious festivals, marriages, and the like. Manufacturing industries in these provinces are at present in the early stage in which the labourer has to be tempted from agricultural pursuits and can readily, if dissatisfied or overtasked, resume them. The numerous holidays to which he has been accustomed in his village cannot be summarily suppressed in a factory without discontent and possibly risk, and so at present the factory labourer in these provinces practically enjoys the rest which is secured in England by statutory law. If one day in seven were fixed in India for the compulsory closure of all factories, it would not materially affect the ordinary practice of most of the factories in these provinces. The manager of the Rosa Distillery at Shahjahanpur, however, has represented that his factory could not be so closed without great loss and detriment, and it would seem that every mill in the provinces occasionally runs on Sundays when work is very heavy. The objection which millowners and managers will naturally take to a compulsory closure every seventh day is that they will still have to grant leave to their operatives for religious festivals which do not happen to coincide with the statutory seventh day.

3. Such being the situation in the provinces, Sir Auckland Colvin is not disposed to express a decided opinion on the two points especially referred to the Local Government for consideration, namely, the restriction of the hours of labour for women and children and the compulsory closure of one day in seven. He considers that, as soon as manufacturing industries pass out of the initial stage, the provisions of the present Factory Act must prove insufficient, and he would, therefore, not be averse in principle to more stringent regulations. The suggestion of the magistrate of Agra, for example, that obligatory qualifications

should be required in the case of factory managers, seems to him reasonable; as does also the proposal of the magistrate of Cawnpore that the minimum age for children should be raised from seven to nine years. It seems, however, clear from the papers now submitted that manufacturing industries in these provinces are still in the first stage, and that circumstances at present protect the labourer. Sir Auckland Colvin is willing to be guided by the experience of Bengal and Bombay, and would not object to any legislation in the direction of increased stringency which those provinces may consider necessary.

Enclosures.

From Magistrate, Cawnpore, No. 1425, dated 26th December 1888.
From Magistrate, Agra, No. 249, dated 20th December 1888.
From Magistrate, Shahjehanpur, No. 1519, dated 26th December 1888.
From Magistrate, Lucknow, No. 6274, dated 26th December 1888.
From Superintendent, Dehra Dun, No. 148, dated 15th December 1888.
From Magistrate, Furukhabad, No. 437, dated 19th December 1888.
G. O. No. 2397—III-234-47, dated 8th December 1888.

(No. 1425, dated the 26th December 1888.)

From *H. D. Moule*, Esq., Magistrate, Cawnpore, to the Secretary to the Government of the North-Western Provinces and Oudh, General Department.

In reply to your No. 2397 of 8th instant, I have the honour to submit a report drawn up by Mr. Sidney Smith, District Superintendent of Police and Inspector of Factories for Cawnpore.

2. I regret the slight delay which has occurred in submitting this reply. It is due to the serious illness of Mr. Smith and my own absence from head-quarter on tour at the time.

3. Passing over Questions (1) to (4) which are fully answered by Mr. Smith, I would observe in reply to Question (5) *a* that the hours of work are generally long; but it may be doubted whether they are so long as to justify interference with freedom of contract. Natives do not as a rule work very strenuously during their hours of labour, and I do not suppose the hours of work in the mills are longer than those of agricultural labour during the active seasons of husbandry. On the other hand, employment in the mills is well paid and popular and has undoubtedly raised the wages of labour all round in the neighbourhood of Cawnpore.

On the whole, considering how extremely important it is that industries which take a part of the population off the land should be encouraged, and how great would be the loss to the country and especially to the labouring classes if a policy of too minute interference were unhappily to check the growth of manufacturing enterprise, I would myself deprecate any action for the present in the way of restriction on the labouring hours of adults.

As to children, while agreeing with Mr. Smith that the factory children do not look overworked, I agree with him also in the opinion that the minimum age at which children may be employed should be raised from seven to eight or even nine years. Such a measure would not, I believe, affect the prosperity of any factory in the smallest degree.

4. Question 5 B. If I saw how it could be done I should like to ensure one day's rest in seven to every labourer; but I do not think it would be wise to insist on the mills closing work altogether one day in every seven. At times there is a great pressure of work and large orders have to be executed at short notice; orders perhaps for military stores, the prompt execution of which is a matter of national importance. To close the factory one day out of every seven at such times would be extremely unwise. And yet if the factory is not entirely closed, I am afraid it is impossible to ensure the weekly holiday for the individual labourer; and the labourer himself who would lose his one day's pay every week would probably be far from grateful to Government for its interference. Government may, I think, rest assured that the native labourer will take a holiday whenever he wants one, and will evade every attempt to force upon him holidays which he does not desire.

(No. 2765, dated the 22nd December 1888.)

From *Sidney Smith*, Esq., District Superintendent of Police and Inspector of Factories, Cawnpore, to the Magistrate, Cawnpore.

I HAVE the honour, with reference to G.O. No. 2397—III.—234-47, dated 8th instant, to submit the two statements called for duly filled up.

2. I enclose a separate memorandum regarding each factory, but will state here that, as a general rule in all factories, the hours of labour vary according to the season. In the hot season the hours for adults are usually from 5.30 a.m. to 6.30 p.m., and in the cold season from 6-30 a.m. to 5-30 p.m., with small differences in various factories. Children usually come and go at the same time as adults, but they get intervals during the day averaging three hours. There is always an hour's interval at noon, and notices are posted up.

3. Wages are generally held back for 15 days, *i.e.*, wages are ordinarily paid on or about the 15th of each month. Small fines are inflicted for neglect of duty or damage done through carelessness.

4. As far as my experience goes, and as far as I am capable of judging, the mill managers are all competent men, mostly men of great experience; and the machinery of the factories is well and properly fenced.

5. I have always found the workrooms well ventilated and clean. Of course the rooms are hot in the hot season, but the employés seem quite used to it and apparently take no harm. The workrooms at the North-Western Provinces Jute Mills are very dusty, which is due to the nature of the material under manipulation.

6. My experience as Inspector of factories is not of long duration (since April 1887). I have inspected the factories each half-year. Complaints are never made by any of the employed, adults or children, Nor should I expect complaints to be made to the inspector unless the matter was something extremely serious. For the employed are so much under the control of the mill anthorities, their bread depending on the good will of the latter, that it is not to be expected they would complain. I do not, however, form any conclusion from the absence of complaints, but from the general appearance and form of the children; I have always found them looking well and bright, full of energy and spirits; certainly not like overworked children. I mostly find a difficulty in getting the Form D. Factory Register of children punctually kept up. As far as I understand it, this register should be kept up *daily*, and should show each child employed, even up to the last one entertained to-day. Without this I do not see how the inspector can keep a check on the ages of the children. I think every child employed unless clearly over 12 years of age, should be certified for age by the civil surgeon.

7. I think that children under 12 years should not be employed in the mule rooms.

8. I am inclined to suggest that the minimum limit of age should be eight instead of seven years. Children of the latter age are usually *very* small people and would be better employed in play.

9. Sundays are said to be generally observed, and many gazetted holidays. On the whole I do not consider the factory employés are overworked, and consequently do not suggest any alteration in the law in the direction of greater stringency.

10. All factories within the meaning of the Act are now on the Register. Two, the Victoria Mills and the Cawnpore Ginning Mills, have been registered this year. The latter is under native management.

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APPENDIX A.

Name of Mills and Factory.	Men.	Women.	Total Adults.	Children.	Total Employed.	Accidents to Adults in the Two Calendar Years 1886 and 1887.	Accidents to Children in Two Years.	Annual Percentage of Accidents on Adults.	Annual Percentage of Accidents on Children.	Percentage of Total Accidents on Adults and Children.	Remarks.
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.
Elgin Cotton and Woollen Mills - -	969	120	1,089	184	1,273	8	2	·36	·54	·78	
Cooper Allen and Company, Army Boot Factory.	900	—	900	200	1,100	—	1	—	·25	·09	
Cawnpore Cotton Mills - - -	375	43	418	75	493	—	4	—	2·67	·81	
Cawnpore Woollen Mills - - -	507	76	583	105	688	4	1	·34	·47	·72	
Muir Mills - - - - - - -	1,249	109	1,358	254	1,612	23	4	·84	·78	1·67	
Government Harness and Saddlery Factory.	1,398	—	1,398	73	1,471	2	—	·07	—	·13	
North-Western Provinces Jute Mills -	337	23	360	54	414	—	—	—	—	—	

Cawnpore, 22 December 1888.

Sidney Smith,
District Superintendent of Police.

APPENDIX B.

Name of Mills and Factory.	Nature of Injuries and the Parties Injured.										Total.		Remarks.
	(a.) Causing Death.		(b.) Amputation of Limb.		(c.) Fracture.		(d.) Injury to Head and Face.		(e.) Laceration and Contusion.				
	Adults.	Children.	Adults.	Children.	Adults.	Children.	Adults.	Children.	Adults.	Children.	Adults.	Children.	
Elgin Mills	—	—	—	—	1	—	—	—	7	2	8	2	
Cooper, Allen and Company	—	—	—	—	—	1	—	—	—	—	—	1	
Cawnpore Cotton Mills	—	—	—	—	—	1	—	—	—	3	—	4	
Cawnpore Woollen Mills	—	—	—	—	1	—	—	—	3	1	4	1	
Muir Mills	—	—	—	—	1	1	1	—	21	3	23	4	
Government Harness and Saddlery Factory.	—	—	—	—	—	—	—	—	2	—	2	—	
North-Western Provinces Jute Mills.	—	—	—	—	—	—	—	—	—	—	—	—	
Total	—	—	—	—	3	3	1	—	33	9	37	12	

Cawnpore, 22 December 1888.

Sidney Smith,
District Superintendent of Police.

Question.	Answer.
	Messrs. Cooper Allen and Company, Army Boot Factory.
1 (*a.*) What are the hours of work for men, women and children, and whether they are in your opinion unreasonably long?	Vary according to seasons. Men, hot weather, from 6.30 a.m. to 5.30 p.m. Men, cold weather, from 7.30 a.m. to 5 p.m. Children, hot weather, 6.30 a.m. to 5 p.m. Children, cold weather, 7.30 a.m. to 4.30 p.m.
(*b.*) With regard to children, whether the statutory limit of 9 hours is strictly observed.	Yes, strictly.
(*c.*) Whether intervals of rest which section 7 of the Act requires to be interposed between the 9 hours of work, have been fixed and are duly posted up on the factory and are in practice allowed?	All get the usual rest of one hour from 12 till 1 o'clock, and in the hot weather an extra half hour is given.
2. Whether wages are withheld generally or occasionally?	They are paid on the 15th of the following month, and in the case of a man who has been absent during the current, the wages are kept till he returns to work, unless he leaves the factory, when he is paid up in full. Small fines occasionally for gross neglect.
(*b.*) - - - - - - - - -	All Sundays observed, as also the Hindu and Muhammadan gazetted holidays.
	Elgin Mills Company.
1 (*a.*) What are the hours of work for men, women and children, and whether they are in your opinion unreasonably long?	Vary according to seasons. Men, cold weather, 6.30 a.m. to 5.30 p.m. Men, hot weather, 5.30 a.m. to 6.30 p.m. Women the same as men, but as long as they like, as they are paid according to the amount of work they do. Children, cold weather, 6.30 a.m. to 5.30 p.m. Children, hot weather, 5.30 a.m. to 6.30 p.m. With intervals amounting to three hours during day.
(*b.*) With regard to children, whether the statutory limit of 9 hours is strictly observed?	Yes, strictly.
(*c.*) - - - - - - - - -	The usual one hour in the day for men, and posted up.
2. - - - - - - - - -	Wages are kept three weeks in hand. Small fines occasionally.
5 (*b.*) - - - - - - - - -	All Sundays observed. All gazetted holidays given.

Question.	Answer.
Cawnpur Cotton Mills Company.	
1 (*a.*) - - - - - - -	Men, cold weather, 6.30 a.m. to 5.30 p.m. Men, hot weather, 5.30 a.m. to 6 30 p.m. Women, 7 a.m. to 5 p.m. all seasons. Children the same as men; the hours they are kept at work does not exceed nine.
(*b.*) - - - - - - -	Yes, strictly.
(*c.*) - - - - - - -	The usual hour, 12 to 1. Notices posted up.
2. - - - - - - - -	They are kept in hand 15 days. They are fined occasionally to the extent of 2 annas and 4 annas. Men are paid for any overtime they may like to put in.
5 (*b.*) - - - - - - -	All Native holidays, Hindu and Muhammadan, as also all Sundays are observed.
Cawnpore Woollen Mills Company.	
1 (*a.*) - - - - - - -	Men, cold weather, 6.30 a.m. to 5.15 p.m. Men, hot weather, 5 a.m. to 6.45 p.m. Women, 7 a.m. to 5 p.m., all seasons. No children employed.
(*b.*) - - - - - - -	One hour, 12 to 1 o'clock.
(*c.*) - - - - - - -	Posted up in the factory.
2. - - - - - - - -	Fined occasionally in preference to dismissal; kept in hand for a fortnight.
5 (*b.*) - - - - - - -	All Sundays observed, and work goes on only for half the day on Saturdays. Gazetted Hindu holidays, but not Muhammadan, as there are very few Muhammadans.
Muir Mills Company.	
1 (*a.*) - - - - - - -	Vary according to seasons. Men, cold weather, 6.30 a.m. to 7.30 p.m. Men, hot weather, 5.30 a.m. to 6.30 p.m. Women the same as men; children begin at the same hour as men, but work less than 9 hours.
(*b.*) - - - - - - -	Yes, strictly.
(*c.*) - - - - - - -	The usual hour in the middle of the day. Posted up in the factory.
2. - - - - - - - -	They are made to understand that if they damage anything they must pay for it, if in their means. If the damage is caused by an accident arising out of carelessness, they have to pay a small fine. The wages are kept in hand about a fortnight.
5 (*b.*) - - - - - - -	Four holidays a month, *i.e.*, Sundays. If there happen to be five Sundays in month they have to work on the 5th Sunday. All gazetted holidays are observed. If men like to work instead of taking the regular holiday, they get paid for overtime.

Question.	Answer.
Government Harness Factory.	
1 (*a.*) - - - - - - - -	Men, cold weather, 7 a.m. to 3 p.m. Men, hot weather, 6 a.m. to 2 p.m. No women. Children same as men, with two hours' interval in the middle of the day.
(*b.*) - - - - - - - -	Children only have to work six hours.
(*c.*) - - - - - - - -	All get the usual hour in the middle of the day.
2. - - - - - - - - -	Labour is under contract, but wages are kept in hand for about 20 days. No fines.
5 (*b.*) - - - - - - - -	All Sundays and gazetted holidays observed.
North-Western Provinces Jute Mills Company.	
1 (*a.*) - - - - - - - -	Men, cold weather, 5-30 a.m. to 7 p.m. Men, hot weather, 6 a.m. to 6 p.m. Women the same as men, children the same as above, but with intervals during the day, amounting three hours. The Jute Mills work by electric light.
(*b.*) - - - - - - - -	Yes; strictly.
(*c.*) - - - - - - - -	The usual hour in the day. Notices posted up in the factory.
2. - - - - - - - - -	They are fined occasionally in preference to being dismissed. Wages are kept in hand a fortnight. On dismissal, they are paid up immediately.
5 (*b.*) - - - - - - - -	All Sundays as well as all gazetted holidays observed.
Cawnpore Cotton Ginning Mills.	
1 (*a.*) - - - - - - - -	Men, cold weather, 6 a.m. to 6 p.m. Men, hot weather, 6 a.m. to 5 p.m. Women the same as men, children same as above, with three hours' interval in the day.
(*b.*) - - - - - - - -	Yes; strictly.
(*c.*) - - - - - - - -	All get the usual hour in the day. Notices posted up in the factory.
2. - - - - - - - - -	No fines. If found in serious fault they are dismissed. All are paid up by the 3rd of the following month.
5 (*b.*) - - - - - - - -	All Sundays as well as gazetted holidays observed.
Victoria Cotton Mills.	
1 (*a.*) - - - - - - - -	Men, cold weather, 6.30 a.m. to 5.30 p.m. Men, hot weather, 5.30 a.m. to 6.45 p.m. Women the same as men. No children employed yet.
(*b.*) - - - - - - - -	Nil.
(*c.*) - - - - - - - -	One hour in the middle of day.
2. - - - - - - - - -	Dismissal in preference to fine for persistent neglect of work. But fined occasionally when found in serious fault.
5 (*b.*) - - - - - - - -	All Sundays observed.

(No. 249, dated the 20th December 1888.)

From the Magistrate of Agra to the Secretary to the Government of the North-Western Provinces and Oudh, General Department.

I HAVE the honour to reply to your No. 2597—III. 234-47 of the 8th instant, and to forward the two statements required in your letter.

2. Up to a month or so ago the only factories as defined by the Act in this district were the cotton presses, of which there are now six, viz., five in Agra and one in Ferozabad. But about a month ago another factory was added to the Agra list, viz., the Agra Spinning and Weaving Company, and in a short time another will have to be added in the shape of a branch of the West Patent Company, Limited at Ferozabad.

The Agra Pressing Company
Messrs. John and Teka Ram
The West Patent Company
The Mofassil Company
The Habeebhai Company
} in Agra.
The Amolak Chand Press in Ferozabad.

3. With regard to Appendix A., I have to explain as follows. So far as the cotton presses are concerned, the number of employés has been filled up by the managers of the factories, and it is quite clear that they have entertained different ideas of what was required of them. Some seem to have given the maximum number of employés and some the average. For example, it is admitted that for this season the Mofassil Company is doing by far the largest business in Agra owing to circumstances which I need not detail. Yet the manager sends in a return of employés only 300 in number, while the West Patent Company sends in a return of 625 employés, and the Habeebhai Company, which is hardly doing any business at all, sends in a return of 720. I inspected the Habeebhai Factory on the 17th instant, and can personally vouch for it that there were not fifty people in the premises. The press was not at work and had not been at work for some time. Thus, with regard to the cotton presses, the figures have to be considered as somewhat misleading. The truth with regard to them is this, that the number of employés varies as trade is brisk or dull, and the manager of a cotton press (in Agra) can never tell how many souls will be working in his premises 24 hours before they come. And the reason is this, nine-tenths of those who work in the premises are not in the employment of the Press Company at all, but are the employés of private individuals, *i.e.*, cotton speculators or firms who deal in cotton. On the premises of each of the five Agra Pressing Factories you find a large number of sheds more or less full of cotton, and they are assigned to the firm of Messrs. A. and B. or to Mr. C. D., &c., who have the cotton which they buy in the Agra market pressed by the Company on whose premises they have their sheds. In each shed is a gang of women varying in number according to the amount of cotton to be picked and cleaned. Besides the women there are gangs of coolies to carry the cotton, when it has been cleaned, to the factory press. These women and coolies are not employés of the press, but are employés of the owner of the cotton. Again the Press Company very commonly contract with some one to have the cotton so cleaned and brought to the factory, lifted to the upper story where it is put into the press. The Company itself has not more than 50 or 80 men in its own employment properly so called, *i. e.*, men to whom it pays their salary daily, weekly or monthly, as the case may be. But by including all the men, women and children employed by private persons and firms on their premises as employes of the press, the Agra firms have reached the numbers recorded in Appendix A. The Ferozabad Press known as Amolak Chand, has no picking and cleaning done on the premises, so it has sent in the number of its own employes, *viz.*, 52. Where children are entered under the Agra Presses none are to be understood as under 12 years of age. The press managers have told me it does not pay the private firms and to employ children for picking and cleaning. I know I am well within the mark in saying that there is no cotton press in Agra that has 100 employés in the sense of persons connected with the press to whom it pays wages regularly, and it is on this account, and with reference to Clause B of the definition in sections 2 of the Act, that I doubt if the cotton presses can legitimately be considered factories under the Act.

4. The Agra Spinning and Weaving Mill Company is in a different position. Its regular employés are far over 100 in number, and the numbers are expected to increase rapidly. The Company also trains children below the age of 12. I have inspected the premises and factory once since it was set agoing, but owing to an accident to the machinery the mill was not at work, and so I did not have the opportunity of seeing the employés at work. This Company is the only one the return of which shows an accident during the past two years. A boy through carelessness pushed his hand under a wheel and had it severely lacerated.

5. Turning to the points detailed in paragraph 2 of your letter, I have to observe that in the cotton presses the hours of labour are dependent solely on the amount of business to be done. Sometimes a press works only half a day, sometimes it goes night and day. I have to remark at once that no children under any circumstances, *i.e.*, boys (not to speak of girls) under 12 are employed on the press. When speaking of a press working, I mean solely the men required to press the cotton, to work the machinery, to rope the

bales with iron bands, and deposit them on the ground outside the press room. At ordinary times these men work as long as there is daylight, with an hour for dinner and rest at midday. Some of the presses (and also the Agra Spinning and Weaving Mill Company) are prohibited by their insurance policies from working at night. But when those of them which can work at night have to do so, they of course employ fresh gangs for the night work, and these night gangs have a rest at midnight. The manager of the West Patent Company told me he sometimes worked on without break from day-light till half-past three or four p.m. and then ceased work for the day, but this is unusual. All the managers state that the hour for rest at midday is a very elastic hour, and that the hour must be taken as the minimum of rest allowed to the pressmen. I should also add that the pressmen are usually skilled or rather experienced men who have been in the employment of the concern for a considerable time. Under these circumstances, it is for the interest of the firm that they retain and do not overwork their trained men, and the latter, knowing they are fairly sure to find employment, can hold their own against their employers. I have seen no reason to believe that the hours of employment required from men are excessive.

6. With regard to the hours of work for women and children, *i.e.*, young people over 12 years of age, they are limited by daylight, and there is the usual rest of an hour at midday, but there seems a very general consensus that the women and children interpret the hour of midday leisure even more liberally than the men, and that it is much more difficult to persuade them to return to work in the afternoon than to persuade men. I have never heard it alleged or hinted that the hours for work among the women and children are too long. With regard to the children between the age of seven and 12 now in the employment of the Agra Spinning and Weaving Mill Company, Limited, I shall inquire what proposals the manager of the Mill Company has to make on the subject of the hours for labour and rest of these children.

7. I can report with confidence that wages are not generally withheld, and the managers report that they are never withheld. The Agra presses are now of long standing, and it would soon be generally known if any of them habitually defrauded or attempted to defraud its employés by withholding their wages. None of them has this reputation, and I again call attention to the fact that the Press Companies in reality employ a very few hands in the sense of paying to them their wages.

8. The third point raised in paragraph 2 of your letter is whether mill managers are incompetent, whether mills are often dangerous in character and the machinery often inadequately fenced. On these points it is most difficult for me to give a reply, for I have to confess at once that I am no judge of such points, and I submit that a report on such matters is valuable only from a qualified expert. The matter is one in which the existing diversity of practice is worth the attention of Government. Some presses in Agra have engineers, European or Parsi, who have either a first class or a second class certificate under the Bombay Boiler Inspection Act. One, however, viz., the Habeebhai Press, has only a mistri on 50 rupees a month, but its machinery is occasionally inspected by the engineer of the Agra Pressing Company. A year ago the Ferozabad Press started work under the management of a young Parsi who had no certificate of any sort and very little experience. I venture to urge on the attention of the authorities that in every factory under this Act there should be some manager or mechanical engineer about whose qualifications there can be no doubt. In the majority of existing factories such managers are already to be found, and it is precisely for those factories which are not provided with qualified managers that such a rule is necessary.

9. I have also to confess that I am incompetent to pronounce if the mills are or are not dangerous in character. I have in various instances pointed out to the press managers where I thought the machinery was inadequately fenced, and they have invariably and willingly carried out my suggestions for its protection. But underlying this I have the uncomfortable feeling that my inspections are those of an amateur who knows little or nothing of the subject. I believe some three or four years ago it was by accident discovered that one of the boilers in the press of Messrs. John and Teka Ram was worn so thin and so much eaten away by the action of the brackish waters of Agra that it was a matter of surprise that it has not burst long before. It will be perceived at once that only an expert can test and examine a boiler. In the same way now, on inspecting the machinery of the Agra Spinning and Weaving Mill Company, I see hundreds of wheels by which accidents may happen every day; but on calling the attention of the manager to this, I am met by various devices, *e. g.*, he explains that these are the latest patents and universally accepted as the best kind of machinery, and that it is impossible to fence them in, or that such open unfenced machinery is allowed at Cawnpore, Dehli, &c., I, as Inspector under the Act, am quite unable to controvert either of these explanations or any similar one, and I may pass over some part of the machinery that is dangerous in the extreme. An engineer expert would be able to understand, examine and test the allegation of the factory manager or engineer in a way that is impracticable from a civil officer. I have the less hesitation in making the above proposal, because, so far as repute goes, the mill managers in Agra are thoroughly competent, and the absence of any accidents (except the one that happened the other day in the Agra Spinning and Weaving Mill Company) shows that the mills or rather presses are not dangerous in character, and that the machinery is fairly well fenced.

10. The

10. The work-rooms I can report are well ventilated, and do not in the least deserve the term "filthy." They are not neat and tidy, but this could not be expected under the circumstances. With regard to the ventilation of the cotton-picking sheds, in which the women and children referred to in Appendix A work, I have to explain that at least one side of the shed is quite open, and the sheds are usually very high, but while picking is going on, the atmosphere is simply saturated with particles of cotton. The work-women however, use nothing in the way of a respirator. In the new Spinning and Weaving Mill, the three principal rooms have windows on all four sides, so the arrangements for ventilation are good. Only in the mixing room am I doubtful if the ventilation is sufficient, but as only six or eight mixers are to be employed at one time in this room, I need not refer to it further than to say "I shall not forget the point at the time of inspection."

11. With regard to the 5th point referred to in your paragraph 2, I do not think the Act need be altered in respect of either *a* or *b*. Women in the factories in Agra work practically just so long as they please, and no compulsion of any sort is used to them. Children under seven are never employed anywhere, and children under 12 are employed only in the Spinning and Weaving Mill which has begun work within the last three months. There is no need for a compulsory closure on one day in seven.

12. The half-yearly inspections of the Agra presses required by the rules have been duly made, but I have to repeat that I feel these inspections are of but little use owing to my own ignorance of machinery, &c. Registers, Forms A and B, are kept up in my office, but the "number of persons ordinarily employed" in Form A and the "number of persons at work on date of inspection" are not filled in for the reasons given in paragraph 3 of this report. As no children under 12 are employed by the presses, none of the Forms, C, D or E, are maintained, but I shall inform the Agra Spinning and Weaving Mill Company that they must keep up Registers D. and E. Register Form F. is not maintained anywhere, as in practice it is found quite unnecessary. I send copies of the notes of my inspections to the managers of the factories concerned, and also to the Commissioner of the division. In all the presses copies of the rules under the Factories Act in English and Hindi are hung up in some conspicuous part of the building. With regard to the Amolak Chand Press at Ferozabad, I have visited it almost as often as I go to Ferozabad, but I have never yet found the press at work, and so I have not recorded formal notes of inspection with regard to it as I have done for the Agra presses. There are no railway workshops in Agra.

APPENDIX A.

Name of Mill or Factory.	Men.	Women.	Total Adults.	Children.	Total Employed.	Accidents to Adults in 1886 and 1887.	Annual Percentage of Accidents on Adults.	Annual Percentage of Accidents on Children.	Accidents to Children in 1886 and 1887.	Percentage of Total Accidents on Adults and Children.	Remarks.
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.
Habibhai Press - - - - - -	200	500	700	20	720	—	—	—	—	—	
West Patent Press - - - - -	100	500	600	25	625	—	—	—	—	—	
Mofassil Company - - - - -	90	200	290	10	300	—	—	—	—	—	
Messrs. John and Teka Ram - - -	70	100	170	25	195	—	—	Nil.	—	—	
Agra Pressing Company - - -	70	100	170	10	180	—	—	—	—	—	
Amolak Chand Press, Ferozabad - -	52	—	52	—	52	—	—	Nil.	—	—	
Agra Spinning and Weaving Mills Company.	400	50	450	50	500	—	—	—	1	—	The Agra Spinning and Weaving Mills started work only a few weeks ago.

Agra Magistracy, 21 December 1888.

H. W. Reynolds,
Joint Magistrate, for Magistrate in Camp.

APPENDIX B.

Name of Mill or Factory.	Nature of Injuries and Parties Injured.										Total.		Remarks.
	(a.) Causing Death.		(b.) Amputation of Limb.		(c.) Fracture.		(d.) Injury to Head and Face.		(e.) Laceration and Contusion.				
	Adults.	Children.	Adults.	Children.	Adults.	Children.	Adults.	Children.	Adults.	Children.	Adults.	Children.	
Agra Weaving and Spinning Mill	—	—	—	—	—	—	—	—	—	1	1	1	

Agra Magistracy, 21 December 1888.

H. W. Reynolds,
Joint Magistrate, for Magistrate in Camp.

(No. 1519—XVII., dated the 26th December 1888.)

From *J. S. Porter*, Esq., Magistrate of Shahjehanpur, to the Secretary to the Government of the North-Western Provinces and Oudh, General Department.

I HAVE the honour to acknowledge receipt of your No. 2397, dated 8th instant, and in reply to submit the two prescribed statements for the Rosa Distillery and Sugar Refinery, which is the only registered factory in the district.

2. (*Paragraph* 2 (1) *of Government Letter*).—The processes in this factory, sugar-refining and distilling, are continuous, and require labour for 24 hours. There are two gangs of labourers who are relieved every six hours. When the labour is hard for the tending of machinery and other light labour, the operatives prefer one long and one short turn of work, viz., 12 hours in the day (with an hour for food) and six hours at night, and the next day no work at all, and six hours at night. Each gang thus securing every second day free and working on an average 11 hours out of the 24.

For auxiliary labour required in the day time only the hours are for men 6 a.m. to dusk in winter, 6 a.m. to 6 p.m. in summer, with one hour's interval for dinner. These hours are not, it appears to me, unreasonaby long. For children, the statutory limit of nine hours is strictly observed, intervals of rest have been fixed under section 7 of the Act (G.O. No. 1928, dated 2nd June 1882), and are duly posted up in the factory and are always allowed. The children look well and healthy. They are well cared for, and a school has been provided for them.

No women are employed inside the factory. They are only occasionally employed outside on light contract work.

3. (*Paragraph* 2 (2) *of Government Letter*).—The manager, Mr. McAlister, informs me that misconduct and petty thefts are punished under the manager's signature only, by deductions; this is a recognised custom and understood on engagement. Wages are not withheld in any other manner.

4. (*Paragraph* 2 (3) *of Government Letter*).—The superintendent, Mr. McAlister, is a most careful, considerate and competent manager. The machinery is of simple character and adequately fenced.

5. (*Paragraph* 2 (4) *of Government Letter*).—The workrooms are well ventilated and clean, and the workpeople are in excellent condition. A considerable portion of the work is in the open air.

6. (*Paragraph* 5 (*a*) *of Government Letter*).—Women are only employed on light out-door work, and no restriction in their hours of labour, and no further restriction of the hours for children, nor change in the definition of children is called for so far as this factory is concerned.

7. (*Paragraph* 5 (*b*) *of Government Letter*).—The compulsory closure of one day in seven would have a very injurious effect on this factory which requires continuous work. It would cause great loss to let the fires out and stop the machinery once a week, and the reduction of wages which would necessarily follow would be much felt by the operatives. This concern spends a large sum in wages, is extremely well managed and popular, and any interference with it is to be deprecated.

8. (*Paragraph* 3 *of Government Letter*).—The factory was inspected twice in 1883, 1884 and 1885, once only in 1886, 1887 and 1888. Another inspection will be made before the close of the year. There are no other factories or workshops in this district coming under the definition of "Factories."

APPENDIX A.

Name of Mills and Factory.	Men.	Women.	Total Adults.	Children.	Total Employed.	Accidents to Adults in the Two Calendar Years 1886 and 1887.	Accidents to Children in Two Years.	Annual Percentage of Accidents on Adults.	Annual Percentage of Accidents on Children.	Percentage of Total Accidents on Adults and Children.	Remarks.
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.
Rosa Factory - - - - -	891	—	891	8	899	1	—	·112	—	—	1886
Sugar Works and Distillery - - -	996	1	997	17	1,014	—	—	—	—	—	1887
						For the two years the average will be ·056.					

J. S. Porter, Magistrate.

APPENDIX B.

Name of Mills and Factory.	Nature of Injuries and the Parties Injured.										Total.		Remarks.
	(a.) Causing Death.		(b.) Amputation of Limb.		(c.) Fracture.		(d.) Injury to Head and Face.		(e.) Laceration and Contusion.				
	Adults.	Children.	Adults.	Children.	Adults.	Children.	Adults.	Children.	Adults.	Children.	Adults.	Children.	
Rosa Factory - - - - Sugar Works and Distillery - -	1	—	—	—	—	—	—	—	—	—	1	—	This is the only accident which occurred in this factory since it was brought under the Act. The man fell from an elevated gangway along which he was wheeling charcoal. The gangway is protected by a railing.
Total - - -	1	—	—	—	—	—	—	—	—	—	1	—	

J. S. Porter, Magistrate.

(No. 6274, dated the 26th December 1888.)

From the Deputy Commissioner of Lucknow to the Secretary to the Government of the North-Western Provinces and Oudh, General Department.

In compliance with your letter, No. 2397—III.-234-47, dated the 8th December 1888, I have the honour to submit the Forms A and B appended to your letter under reply, duly filled in, giving the prescribed details for each of the factories registered under the Indian Factories Act, XV. of 1881, namely, (1) the Oudh and Rohilkhand Railway Company's workshops, and (2) the Upper India Couper (Paper) Mills Company. Other particulars asked for in Clauses (1), (2), (3) and (4), paragraph 2, of your letter have been given in the enclosed memorandum for each of the factories separately.

With reference to Clause (5), paragraph (2), of your letter, I have the honour to state that the manner in which the factories are worked in this district calls for no suggestion as to greater stringency in the Act in respect of restricting working hours for women or children or compulsory closure of one day in seven. With the exception of two women who were in the paper mills, none are employed in any factory, only 30 boys are employed in the railway workshops, and none in the paper mills; the tendency of the railway authorities has been found generally to employ boys whose age approaches the maximum limit of 12 years. Many of the boys entered in the shops' register were found to be considerably over 12 years of age, and were ordered by Mr. Boys, the late Deputy Commissioner, to be removed from the list of boys.

As to complaints which are stated to have been made in some quarters against the management of Indian Factories, I see no reason to suppose that they at all apply as regards the factories in this district.

With reference to paragraph 3 of your letter, I have to state that the half-yearly inspections enjoined by the rules are not regularly made, but the registers prescribed by the rules are maintained in this office, and all other provisions of the rules and the Act strictly enforced.

All workshops coming within the definition of factories have been brought on the register and are included in the returns herewith submitted.

Memorandum on the Working of the Factories Act, XV. of 1881.

OUDH AND ROHILKHAND RAILWAY WORKSHOPS.

In submitting the Appendices A. and B. to Government letter, No. 2397—III.-234-47, dated the 8th December 1888, I have the honour to report with reference to paragraph 2, Clause—

(1.) That the hours of work for men, women, and children are nine hours in the Oudh and Rohilkhand Railway workshops, *e.g.*, from 6 a.m. to 10.30 a.m. and from 11.30 a.m. to 4 p.m., thus allowing an interval of full one hour for refreshment; that in my opinion they are not unreasonably long; that, with regard to children over seven and under 12, the statutory limit of nine hours is strictly observed; that the intervals of rest which Section 7 of the Act requires to be interposed between the nine hours have been fixed and are duly posted up in the workshops and are in practice allowed;

(2.) That wages are not generally withheld, and no complaint has ever been made of their being withheld;

(3.) That the managers are competent; that the workshops are not dangerous, and the machinery is adequately fenced;

(4.) That the rooms are well ventilated and are kept clean;

(5.) That no women work in the railway workshops, no female children in any factory in the district; there are only 30 boys employed, and they are generally above the average age defined for children. No greater stringency is called for in the Act in any respect in the factory.

J. Sanders,
Officiating City Magistrate, for
Deputy Commissioner.

Lucknow, 25 December 1888.

Memorandum on the Working of the Factories Act, XV. of 1881.

UPPER INDIA COUPER (PAPER) MILLS COMPANY, LIMITED.

I HAVE the honour to report with reference to paragraph 2 of the Government letter, No. 2397—III.-234-47, dated 8th December 1888.

Clause 1.—That the hours of work for men are nine hours, and for boys eight or sometimes nine, *e.g.*, from 8 a.m. till 4 or 5 p.m. One hour is allowed out of these for food and rest. Eight or nine hours for boys is, in my opinion, not unreasonably long. At present there are no children working in the mills.

The intervals of rest which Section 7 of the Act requires to be interposed between nine hours have been fixed and are duly posted up and are practically allowed.

Clause 2.—No complaint has reached me that wages are generally or occasionally withheld.

Clause 3.—That the managers are competent; that the mills are not dangerous in character, and the machinery is adequately fenced.

Clause 4.—That the rooms are well ventilated and are usually kept clear.

Clause 5.—No greater stringency is called for in the Act in any respect in the factory.

J. Sanders,
Officiating City Magistrate,
for Deputy Commissioner.

Lucknow, 25 December 1888.

APPENDIX A.

Name of Mills and Factory.	Men.	Women.	Total Adults.	Children.	Total employed.	Accidents to Adults in Two Calendar Years, 1886 and 1887.	Accidents to Children in Two Years.	Annual Percentage of Accidents on Adults.	Annual Percentage of Accidents on Children.	Percentage of Total Accidents on Adults and Children.	REMARKS.
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.
Oudh and Rohilkhand Railway Company Workshops:											
(a) Central workshops for repairs of engines and vehicles.	2,800	—	2,800	25	2,825	5	—	·08	—	·08	
(b) Running sheds shops for repairs of engines.	150	—	150	—	150	2	—	0·66	—	0·66	
(c) Carriage shed shops for repairs of vehicles, lifting, examining, and cleaning them.	100	—	100	5	105	1	—	·5	—	·5	
(d) Lucknow and Sitapur State Railway, carriage shed for repairing and lifting, &c.	110	—	110	—	110	Nil	—	—	—	—	
Total - - -	3,160	—	3,160	30	3,190	8					
Upper India Couper Mills Company, Limited, for manufacture of paper.	283	2	285	—	285	3	—	·52	—	·52	
TOTAL - - -	3,443	2	6,045	30	3,475	11					

Lucknow, 24 December 1888.

J. Sanders,
for Deputy Commissioner.

APPENDIX B.

Name of Mills and Factory.	Nature of Injuries and the Parties Injured.										Total.	
	(a.) Causing Death.		(b.) Amputation of Limb.		(c.) Fracture.		(d.) Injury to Head and Face.		(e.) Laceration and Contusion.			
	Adults.	Children.	Adults.	Children.	Adults.	Children.	Adults.	Children.	Adults.	Children.	Adults.	Children.
Oudh and Rokilkhund Railway Company Workshops.	2	—	1	—	5	—	Nil.	—	—	—	8	—
Upper India Couper Mills Company, Limited.	1	—	—	—	1	—	1	—	—	—	3	—
Total	3	—	1	—	6	—	1	—	—	—	11	—

Lucknow, 24 December 1888.

J. Sanders,
for Deputy Commissioner.

(No. 148—XVII.-19, dated the 15th December 1888.)

From *C. D. Steel*, Esq., C.S., Officiating Superintendent, Dehra Dún, to the Secretary to the Government of the North-Western Provinces and Oudh, General Department.

In reply to your No. 2397—III.—234-47, dated 8th December 1888, I have the honour to return the two forms duly filled, and beg to report as follows:—

2. There are only two registered factories in this district, "The Old Brewery" and the "Crown Brewery." The details required are given below:—

OLD BREWERY.

(1.) Men only are employed. Working hours 8 a.m. to 5 p.m, in winter without interval; in summer 6 a.m. to 12 noon and 2 p.m. to 6 p.m.

(2.) Wages are not withheld.

(3.) The motive power is a small turbine water-wheel used for crushing malt, and all parts of which are properly fenced.

(4.) The working rooms are well ventilated and not filthy.

(5.) (*a*) No reply needs as there are no women or children.

(*b*.) Not necessary.

CROWN BREWERY.

(1.) Only men are employed. No women or children. The working hours are from sunrise a.m. to sunset p.m. with one hour for meals from 12 noon to 1 p.m.

(2.) The mill managers are fully competent. Mills not dangerous in character, and the machinery is adequately fenced.

(3.) The working rooms are well ventilated and not filthy.

3. The factories are inspected every year. The prescribed registers are maintained in both factories, and all other provisions of the rules and the Act are strictly enforced.

4. There are no Government or Railway workshops in this district.

APPENDIX A.

Name of Mills and Factory.	Men.	Women.	Total Adults.	Children.	Total Employed.	Accidents to Adults in the Two Calendar Years 1886 and 1887.	Accidents to Children in Two Years.	Annual Percentage of Accidents on Adults.	Annual Percentage of Accidents on Children.	Percentage of Total Accidents on Adults and Children.	Remarks.
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.
The Crown Brewery - - - - -	152	—	152	—	152	—	—	—	—	—	
The Old Brewery - - - - - -	242	—	242	—	242	1	—	·4	—	·4	

C. D. Steel, Officiating Superintendent.

Name of Mills and Factory.	Nature of Injuries and the Parties Injured.										Total.		Remarks.
	(a.) Causing Death.		(b.) Amputation of Limb.		(c.) Fracture.		(d.) Injury to Head and Face.		(e.) Laceration and Contusion.				
	Adults.	Children.	Adults.	Children.	Adults.	Children.	Adults.	Children.	Adults.	Children.	Adults.	Children.	
The Old Brewery	—	—	—	—	—	—	—	—	1	—	1	—	

C. D. Steel, Officiating Superintendent.

(No. 437—XIII., dated the 19th December 1888.)

From *F. S. Growse*, Esq., C.I.E., Collector of Farukhabad, to the Secretary to the Government of the North-Western Provinces and Oudh, General Department.

I HAVE the honour to return after compliance the two statements received with Government Order No. 2397—III.-234-47, dated the 8th instant, and to state as follows:

2. The Gun Carriage Factory in the Fatehgarh Fort is the only Government Factory in this district. It is duly brought on the register of this office and is regularly inspected every six months. The railway workshops have been closed.

3. The hours of work for men and children are eight and six respectively; but all Sundays and some other days also are observed as holidays. These hours do not appear to be unreasonably long. The children employed in this factory are all between the age of nine and 14 years. Their work is limited to six hours, with a break of two hours, during which time they attend school. This school is attended by other boys also, who are the children of the factory employés, though not themselves employed on the works. The statutory limit of nine hours is strictly observed, and the intervals of rest which Section 7 of the "Factories Act" requires to be interposed between the hours of work are fixed, duly posted at the factory gate, and are in practice allowed.

4. Wages are never withheld.

5. There are no mills in the factory.

6. The work-rooms are well ventilated and are kept clean.

7. As the hours fixed for work are not unreasonably long, and the factory is closed on Sundays and holidays, and no children under nine years of age are employed on the works; there does not appear to be any ground for making the Act more stringent as regards this factory.

8. The prescribed registers are properly maintained and all the rules duly observed.

APPENDIX A.

Name of Mills and Factory.	Daily Average of Men Employed during 1886 and 1887.	Women.	Total Adults.	Daily Average of Children Employed during 1886 and 1887.	Total Employed.	Accidents to Adults in the Two Calendar Years 1886 and 1887.	Accidents to Children in Two Years.	Annual Percentage of Accidents on Adults.	Annual Percentage of Accidents on Children.	Percentage of Total Accidents on Adults and Children.	Remarks.
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.
Gun Carriage Factory - - - - -	586	—	586	12	598	1	—	·000341	—	·000341	

F. S. Growse, Collector and Magistrate.

APPENDIX B.

Name of Mills and Factory.	Nature of Injuries and the Parties Injured.										Total.		Remarks.
	(*a.*) Causing Death.		(*b.*) Amputation of Limb.		(*c.*) Fracture.		(*d.*) Injury to Head and Face.		(*e.*) Laceration and Contusion.				
	Adults.	Children.	Adults.	Children.	Adults.	Children.	Adults.	Children.	Adults.	Children.	Adults.	Children.	
Gun Carriage Factory - - -	—	—	—	—	1	—	—	—	—	—	1	—	
Total - -	—	—	—	—	1	—	—	—	—	—	1	—	

F. S. Growse,
Collector and Magistrate.

(No. 2397—III.—234-47, dated Allahabad, the 8th December 1888.)

From *T. W. Holderness*, Esq., Secretary to the Government of the North-Western Provinces and Oudh, General Department, to all Magistrates of Districts, North-Western Provinces and Oudh.

I AM directed to invite your attention to Notification No. 2805, dated 15th August 1882, published in "North-Western Provinces and Oudh Government Gazette," of 26th August 1882, publishing rules under Section 18 of the Indian Factories Act (XV. of 1881) for the registration and periodical inspection of "factories," as defined by the Act, and appointing the Magistrate of the District the *ex-officio* Inspector of all factories on the register in the district.

2. As the Government of India, acting on instructions received from the Secretary of State, has called for a report on the working of the Factories Act, I am directed to request you to fill up the two appended forms, giving the prescribed details for each registered factory. It should be returned to this office not later than the 24th of this month. In submitting it you are also requested to report—

(1.) What are the hours of work for men, women and children, and whether they are in your opinion unreasonably long. With regard to children over seven and under 12, whether the statutory limit of nine hours is strictly observed; and whether intervals of rest, which Section 7 of the Act requires to be interposed between the nine hours of work, have been fixed, and are duly posted up in the factory and are in practice allowed. If intervals of rest have not been fixed, you should subsequently report for each factory, after consulting the occupier, what times are suitable for such intervals, in order that the required sanction of Government may be given. This, however, should not delay the submission of the report now called for;

(2.) Whether wages are withheld generally or occasionally;

(3.) Whether mill-managers are incompetent; whether mills are often dangerous in character and the machinery often inadequately fenced;

(4.) Whether the work-rooms are ill-ventilated and filthy;

(5.) Whether the Act should be made more stringent, more particularly in any of the following respects:—

(*a.*) Restriction of the hours of labour for women, and further restriction of the hours for children, or alteration of the definition of children;

(*b.*) Compulsory closure on one day in seven.

I am to explain that the points above-mentioned summarise complaints which have been made in some quarters against the management of Indian factories. The Government of India desires to be informed whether they are in any degree correct, so far as regards factories established in these Provinces.

3. I am, in conclusion, to ask whether the six-monthly inspections enjoined by the rules* are duly made, and whether the registers prescribed by the rules are maintained and all other provisions of the rules and the Act strictly enforced. The Act, it may be noticed, applies to all Government (Section 19) or railway workshops coming within the definition of "factories." You should report whether all such undertakings have been brought on the register, and are under periodical inspection. They should of course be included in the returns now called for.

* Rule 4.

APPENDIX A.

Name of Mills and Factory.	Men.	Women.	Total Adults.	Children.	Total Employed.	Accidents to Adults in the Two Calendar Years 1886 and 1887.	Accidents to Children in Two Years.	Annual Percentage of Accidents on Adults.	Annual Percentage of Accidents on Children.	Percentage of Total Accidents on Adults and Children.	Remarks.
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.

APPENDIX B.

Name of Mills and Factory.	Nature of Injuries and the Parties Injured.										Total.		Remarks.
	(a.) Causing Death.		(b.) Amputation of Limb.		(c.) Fracture.		(d.) Injury to Head and Face.		(e.) Laceration and Contusion.				
	Adults.	Children.	Adults.	Children.	Adults.	Children.	Adults.	Children.	Adults.	Children.	Adults.	Children.	
Total - - -													

(No. 24 A.—III.-234-88, dated Camp Rupaideh, the 4th January 1889.)

From *T. W. Holderness*, Esq., Secretary to the Government of the North-Western Provinces and Oudh, to the Secretary to the Government of India, Home Department.

In continuation of my letter of yesterday's date, I am directed to forward the reply* received from the magistrate of the Allahabad District on the working of the Indian Factories Act in that district.

* No. 2645—XVII., dated 24th December 1888.

(No. 2645—XVII., dated the 24th December 1888.)

From the Magistrate, Allahabad, to the Secretary to the Government of the North-Western Provinces and Oudh, General Department.

In continuation of my No. 2631—XVII.-23, dated 21st instant, I have the honour to reply to the questions contained in the Government letter as follows :—

Paragraph 2, *Clause* 1.—The hours of work are from 6.30 a.m. to 6 p.m. in summer, and from 6.30 a.m. to 5 p.m. in winter. I don't think they are unreasonably long, as two hours from 12 to 2 p.m. are daily allowed for rest, &c. No children are on Factory Registers, and I have noticed in my several inspections that the few boys who are at work with their fathers simply learn the work and are not regularly on the books of the establishment. Besides the hours of rest noted above all gazetted and local holidays are given. The intervals of rest as required by Section 7 are duly posted up in the factory, and observed in practice.

Clause 2.—Two months' pay is withheld and kept in hand, otherwise payments are made regularly.

Clause 3.—The machines are well fenced by iron railings or otherwise as the nature of their position requires, and I have observed no dangerous point exposed or apparent. The owner appears well able to manage the factory.

Clause 4.—The work-rooms are generally well ventilated and clean.

Clause 5.—So far as this district is concerned, I do not think there is any necessity to make the Act more stringent either in respect to restricting the hours of labour for women and children as none such are employed in the factories here, or to the compulsory closure of the factories on one day in seven, as Sunday, a gazetted holiday, is already observed as a holiday.

Paragraph 3.—Inspections are made invariably twice a year as enjoined in the rules, and the prescribed registers are maintained.

2. The East Indian Railway Workshop was not brought under the Act in 1882, when the Government notification, No. 2805, dated 15th August 1882, was issued, as it had less than 100 working hands in the factory; but as it now seems that the working hands have increased, a fact which was not brought to my notice, I have ordered the requisite formalities to be observed and the workshop to be brought on the register.

APPENDIX A.

Name of Mills and Factory.	Men.	Women.	Total Adults.	Children.	Total Employed.	Accidents to Adults in the Two Calendar Years 1886 and 1887.	Accidents to Children in Two Years.	Annual Percentage of Accidents on Adults.	Annual Percentage of Accidents on Children.	Percentage of Total Accidents on Adults and Children.	Remarks.
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.
Iron and Brass Foundry and Ice Manufactory.	186	—	186	—	186	—	—	—	—	—	
East India Railway Locomotive Workshop.	535	—	535	—	535	16	—	2·99	—	2·99	

B. Elloy, Deputy Magistrate, for Magistrate in Camp.

Name of Mills and Factory.	Nature of Injuries and the Parties Injured.										Total.		Remarks.
	(a) Causing Death.		(b.) Amputation of Limb.		(c.) Fracture.		(d.) Injury to Head and Face.		(e.) Laceration and Contusion.				
	Adults.	Children.	Adults.	Children.	Adults.	Children.	Adults.	Children.	Adults.	Children.	Adults.	Children.	
Iron and Brass Foundry and Ice Manufactory.	—	—	—	—	—	—	—	—	—	—	—	—	
East India Railway Locomotive Workshop.	—	—	—	—	1	—	—	—	15	—	16	—	
Total - - -	—	—	—	—	1	—	—	—	15	—	16	—	

B. Elloy,
Deputy Magistrate, for Magistrate in Camp.

PUNJAB REPORTS.

(No. 1697, dated Lahore, the 7th December 1888.)

From *C. L. Tupper*, Esq., Secretary to the Government of the Punjab, to the Secretary to the Government of India, Home Department.

In continuation of my letter No. 1454, dated the 29th October 1888, I am directed to forward, for the information of the Government of India, copies of the letters* marginally noted, which among other papers submit reports from the Deputy Commissioners of Gurdaspur† and Jhelum‡ regarding factories in their respective districts.

* No. 421, dated 22nd October 1888, from Commissioner, Lahore.
No. 3171, dated 16th November 1888, from Commissioner, Rawal Pindi.
† No. 323, dated 6th October 1888, to Commissioner, Lahore.
‡ No. 318 G., dated 6th November 1888, to Commissioner, Rawal Pindi.

(No. 421, dated the 22nd October 1888.)

From *C. M. Rivaz*, Esq., Officiating Commissioner and Superintendent, Lahore Division, to the Under Secretary to the Government of the Punjab.

In reply to your endorsement No. 1266 of the 11th ultimo, calling for reports as to (1) whether it is expedient to legislate for the restriction of the hours of labour in the case of adult women and children employed in factories, and (2) whether the closing of factories on one day in seven should be insisted on, I have the honour to submit copies of the opinions furnished by the Deputy Commissioners of Mooltan, Lahore, Amritsar, and Gurdaspur. There are no factories in the Jhang and Montgomery Districts falling within the definition given in Section 2 of the Indian Factories Act, 1881.

2. The Deputy Commissioners of Amritsar and Gurdaspur do not consider that any further legislation is required in the directions indicated, and their reports show that in the factories in their districts the working hours are not excessive and that holidays are given.

In Gurdaspur, Sunday is, as a rule, observed as a day of rest in the factories; while in Amritsar, although Sunday is not usually given, the mill hands take leave on important native festivals and fair days.

Major Bartholomew, Officiating Deputy Commissioner of Lahore, is of opinion that the working hours for children are sufficiently restricted by Section 7 of Act XV., of 1881, which provides that children shall not be employed for more than nine hours; and he thinks some restriction in the case of adult women would be advisable, but he hesitates to suggest a limit, as the question involves various interests. The Officiating Deputy Commissioner of Mooltan, Major Rennick, is of opinion that factories should be closed on Sundays, and that the hours of labour should not exceed eight or nine hours.

I do not think that, for this Province, any legislation seems needed on the two points noticed in the Secretary of State's despatch.

(No. 489, dated the 15th September 1888.)

From Major *A. de C. Rennick*, Officiating Deputy Commissioner, Mooltan to the Commissioner and Superintendent, Lahore Division.

With reference to your Circular No 174, dated 12th instant, and in continuation of my No. 459, dated 24th August 1888, I have the honour to state that it will be a great boon to those employed in factories to have the hours of labour restricted, say eight to nine hours a day, and a day of rest in the week, which may be Sunday. At present the hands are employed from sunrise to sunset with an hour of rest during midday to eat their food, and except on great festivals the factories are never closed.

(No. 437, dated the 24th September 1888.)

From Colonel *R. Bartholomew*, Deputy Commissioner, Lahore, to the Commissioner and Superintendent, Lahore Division.

I have the honour, in reply to your Circular No. 174, dated 12th September 1888, to observe, with reference to the first question, viz., whether it is expedient to legislate "for the restriction of the hours of labour in the case of adult women and children," that Section 6 of the Factories Act, XV. of 1881, provides that no child shall be employed in any factory if he is under the age of seven, and Section 7, that no child shall be employed for more than nine hours.

2. Provided

2. Provided that proper ventilation in factories is insisted on, I do not think it necessary to curtail this time.

3. I consider it desirable that the hours for adult women should also be fixed; but I hesitate to offer an opinion as to the limit which should be fixed, as the question involves various interests, and we have so little experience in the Punjab of the working of factories. As regards the second question, I am of opinion that, for the physical welfare of the employés, there should be legislation in this direction. It seems imperative that they should have some rest days, certainly not less than one in each fortnight.

(No. 362, dated the 4th October 1888.)

From *John A. Grant*, Esq., Deputy Commissioner, Amritsar, to the Commissioner and Superintendent, Lahore Division.

IN reply to your Circular No. 174, dated 12th September 1888, I have the honour to state as follows:—

It was reported in this Office No. 276, dated the 6th August last, that there were four factories in Amritsar under Section 2 of the Act, but I now find that of these two have for some time been closed for want of capital, and they need not therefore be considered.

Of the remainder, one is a cotton-ginning mill which employs about 20 women and children who receive about two annas a day. Working hours are from 6 a.m. to 6 p.m., and from one to two hours are allowed in the middle of the day for dinner. Sunday is not an off-day, but the workmen are, as a rule, absent on the more important holidays and local fair days.

The other mill is Messrs. Goode's fodder-pressing factory. In this women and children are not employed. The men work 11 hours, less one hour allowed for dinner, but it is probable even these hours will be shortened in winter. Sundays are allowed to the workmen, the supervising staff being Europeans, and Hindu and Muhammadan holidays are also perforce allowed; for if not given, they are taken.

Whatever state of things may exist in Bombay, I am of opinion that the Punjab workman is well able to take care of himself, and that no modifications of the Factory Act, so far as this part of India is concerned, are called for in the direction of additional stringency. So long as the workpeople of both sexes are as well treated as they are in Amritsar, I see no necessity for restricting the hours of labour, or for compulsorily closing the factories on one day in seven.

(No. 323, dated the 6th October 1888.)

From *J. C. Brown*, Esq., Deputy Commissioner, Gurdaspur, to the Commissioner and Superintendent, Lahore Division.

I HAVE the honour to reply to your Circular No. 174, dated 12th September, on the subject of the working of the Indian Factory Act.

2. As explained in this office letter No. 293, dated 3rd September 1888, I am unable to give any report or opinion on the working of the system by which district magistrates are *ex-officio* inspectors of factories, as I have never myself inspected one in my official capacity. Until last July, my attention was never called either in this district or elsewhere to this branch of my duties.

3. I have, however, personally ascertained the following facts from the managers of the two factories in this district.

At Dhárriwál there are two mills, one called the Woollen and the other the Worsted. There are three European superior officers, including the manager, Mr. W. Halsey, 10 European subordinates, and 499 native mill hands. In the Woollen Mill the working hours are 5 a.m. to 1 a.m. (*i.e.*, 20 in all), and two sets of hands work during this period, one following the other, for 10 hours each. Each set is allowed half hour's rest during their turn of duty. In the Worsted Mill the hours are 5·30 a.m. to 6 p.m. (*i.e.*, 12½ in all), less an hour-and-a-half allowed for meals. Children work nine hours, including the usual rest.

4. Above are the hours fixed by rule, but when extra work is required extra men are employed. If any of the regular hands elect to work overtime, they receive extra pay at fixed rates. They all live on the premises, or quite close to them.

5. No work is done on Sundays beyond repairing or adjusting machinery (*e.g.*, repacking footsteps of three turbines), and for this extra pay is given to the natives who work.

6. Machinery is all English made, and is fully protected as required by the English Factory Act. Only one fatal and three petty accidents have occurred during the past six years. A hospital under the charge of a Native doctor is maintained on the premises.

7. Pay is distributed weekly, one week being kept in arrears as security against absence without leave or desertion.

8. At *Sujánpur*, sugar is manufactured and rum distilled. There are three European managers, and from 10 to 100 native hands employed according to the season. The busy period lasts four months, *i.e.*, during the ripening and harvesting of the sugar-cane crops, say January to April. During eight months the factory is practically idle. The work of cleaning the cane, which can only be done outside and by day-light, goes on from sunrise to sunset, say 7 a.m. to 5 p.m., one hour being allowed during this time for food. The work of boiling commences about noon, when a sufficient quantity of cane has been cleaned and pressed, and goes on till about 2 a.m.=14 hours. The boilers are divided into reliefs, one party working 12 to 8 p.m. and the other 8 p.m. to 2 a.m.

9. As at Dhariwal, the machinery is English made, and protected as required by the English Factory Act. The boilers are examined annually by a professional from the North-Western Railway Workshops at Lahore. Pay is distributed monthly, and nothing is kept in hand, except in the case of two permanent officials who handle money, and who have therefore deposited a portion of their pay as security. Mill hands live either in huts on the premises, or in the town of Sujanpur, within one-fourth mile of the works.
There is a dispensary under a Native doctor in Sujanpur.

10. During the busy season work is sometimes carried on on Sunday, but, as a rule, nothing is done on that day beyond cleaning, oiling, and necessary repairs.

11. Above statements do not, I think, show any excessive work, unduly long hours, undue risk with machinery, or oppressive withholding of pay in either of the factories under report. I am unable to say with certainty whether children under prescribed age (12) work in the factories; this can only be ascertained by inspection. Probably they do; but I can say this that where work is done by contract or piece, it is very hard to prevent a father from settling down with his whole family in a hut on the premises and utilising his children as well as his wife to raise the family income. And if he is prohibited from working his children under 12 on the factory premises, he will shift his hut outside the gateway and work them there.

12. I do not think that any more stringent factory law than at present exists is needed in this district.

(No. 3171, dated the 16th November 1888.)

From *G. Smyth*, Esq, Officiating Commissioner and Superintendent, Rawal Pindi Division, to the Secretary to the Government of the Punjab.

WITH reference to your No. 1266, dated 11th September, and No. 1453 of 29th ultimo, I have the honour to submit copies of the letters marginally noted, and to state that I do not think any present necessity exists for special legislation for the supervision and control of the factories in this Division.

No. 2672 G., dated 19th September 1888, from Deputy Commissioner, Rawal Pindi.
No. 318 G., dated 6th November 1888, from Deputy Commissioner, Jhelum.

(No. 2672 G., dated the 19th September 1888.)

From *A. Meredith*, Esq., Deputy Commissioner, Jhelum, to the Commissioner and Superintendent, Rawal Pindi Division.

IN reply to your No. 2475, dated 14th instant, I have the honour to inform you, as already stated in my No. 2555, dated 8th September 1888, that I do not consider the hours of working at all too severe in the only two factories in this district, the Murree Brewery and the railway workshops. No children under 12 years of age are employed in either factory, and I do not consider that any legislation in the direction of additional stringency in this respect is required, as far as this district is concerned.

(No. 318 G. dated the 6th November 1888.)

Memo. From *G. Smyth*, Esq., Deputy Commissioner, Jhelum, to the Commissioner and Superintendent, Rawal Pindi Division.

In obedience to his request contained in his endorsement No. 2476, dated 14th September last, forwarding copies of communication on the subject of the working of the Indian Factories Act of 1881, and calling for an expression of opinion on the points noticed in paragraph 3 of despatch of the Secretary of State for India, has the honour to state that the Dandot Colliery having already been brought under the operation of the Indian Factories Act, XV. of 1881, the engineer in charge was requested to furnish the information called for in Punjab Government No. 1050, bearing date the 16th of July last, received under Commissioner's endorsement circular No. 100—1896, dated 19th idem, copy of whose reply, together with that of docket No. 911, dated 26th September, from the Assistant Commissioner of Salt Revenue at Khewra, begs to enclose.

The Khewra Salt Mines have not been brought under the provisions of the Act, but in them the system of piece-work prevails, the miners being paid in accordance with the amount of work done, and having to a large extent the option of selecting their own working hours.

Both the Dandot Collieries and Khewra Salt Mines are Government institutions, the work being supervised by responsible Government officials, and the reports herewith submitted show that the hours of labour are not excessive, and that generally both institutions are satisfactorily conducted.

When on tour the Deputy Commissioner will inspect the Dandot Collieries in accordance with the orders conveyed in Punjab Government's Circular No. 1457, dated 29th October 1888, and if any other facts worthy of note come to light a further report will be submitted.

(No. 1594, dated the 31st October 1888.)

From the Engineer in Charge, Dandot Colliery, to the Deputy Commissioner, Jhelum.

In reply to your No. 987 of 14th ultimo, copy received with your No. 1098 of 23rd October, I have the honour to inform you that 27 accidents occurred in the financial year ending 31st March 1888, of which only two proved fatal, one man being killed underground by a fall of roof stone, and the other through his own carelessness above ground through going to sleep under a loose rock which fell and severely injured the man, who died some days afterwards. The remaining 25 cases were all cured in hospital and have returned to work.

2. The working hours are various; for miners and coolies working under ground eight hours is considered a working day, for other labour above ground nine and ten hours according to season is considered a working day.

3. Information regarding the Mayo Salt Mines can only be procured from the Salt Department at Khewra, represented there by an Assistant Commissioner.

(No. 911 D., dated the 26th September 1888.)

Memo. from the Assistant Commissioner, Northern India Salt Revenue, Khewra, to the Deputy Commissioner, Jhelum.

In reply to his No. 988, dated 15th current, has the honour to report as follows, viz.:—

1. There have been altogether 13 cases during the past 12 months in which petty hurts and bruises have been received in the mines, mostly the result of the carrier slipping on the salt, or of pieces of salt falling from the carrier's basket on to his feet. There have been no fatal accident in the mines for some years past.

2. The average number of hours during which the miners work is about eight. As all the work is done by contract, without restriction as to time, the miner suits his own convenience as to the duration of his labour.

Most of the miners take two holidays in the week, and all of them take Sunday, and from three to three-and-a-half months during the rainy season, when the mine is closed for excavation.

INDIA (PLATE DUTIES).

RETURN

To an Address of the House of Lords, dated 26th July 1889,

FOR

CORRESPONDENCE between the INDIA OFFICE, the GOVERNMENT OF INDIA, and the TREASURY, on the PLATE DUTIES since November 1888.

India Office,
29 July 1889.

J. A. GODLEY,
Under Secretary of State for India.

(The Earl of Northbrook.)

Ordered to be printed 30th July 1889.

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(194.)

CORRESPONDENCE between the INDIA OFFICE, the GOVERNMENT OF INDIA, and the TREASURY, on the PLATE DUTIES since November 1888.

No. 1.

From the GOVERNMENT OF INDIA, Finance and Commerce Department, to the SECRETARY OF STATE FOR INDIA, No. 127, dated 23rd April 1889.

My Lord,

IN continuation of the correspondence ending with your Lordship's Despatch of the 8th November 1888, No. 78 (Statistics and Commerce), we have the honour to transmit copies of the letters mentioned in the schedule, received from the Calcutta Trades Association and the Bombay Chamber of Commerce, on the subject of the English duties on Indian silverware, and to request that they may be communicated to the Lords Commissioners of Her Majesty's Treasury.

We have, &c.
(signed) LANSDOWNE.
G. CHESNEY.
A. R. SCOBLE.
C. A. ELLIOTT.
P. P. HUTCHINS.
D. BARBOUR.

Enclosure 1, in No. 1.

From E. HICKIE, Esquire, Secretary to the Calcutta Trades Association, to the SECRETARY to the GOVERNMENT of INDIA, Finance and Commerce Department, dated 29th March 1889.

Sir,

THE correspondence with the India Office, as printed by order of the House of Commons, on the subject of the English Silver Plate Duties, having been perused by the Committee of the Trades' Association, they deem it their duty to again address the Government of India in the matter. The Committee are aware that Her Majesty's Secretary of State has informed the Government that he sees "no advantage in continuing the discussion at present," but having regard to the pressing nature of the question, viewed with reference to the depreciation of silver, and the grievous injustice which the decision come to thereon by the Lords Commissioners of Her Majesty's Treasury inflicts on an important branch of Indian industry, the Committee of the Association feel that they must record their strong protest against that decision.

2. The Committee have observed with satisfaction that the Royal Commission on Currency have strongly recommended the abolition of these duties; they had, therefore, hoped that the adoption of this course, which has been repeatedly urged by the Government of India, and earnestly solicited by this Association and other public bodies in this country, would have been approved by Her Majesty's Government. They are, therefore, much disappointed to find that the Lords Commissioners of Her Majesty's Treasury, in their letter

to

to the Under Secretary of State for India, dated 25th September 1888, state that they cannot at present, any more than on former occasions, promise to abolish the duty on silver plate, and that "the objection to the abolition of "the duties is based entirely on the loss of revenue involved in such "abolition, aggravated, as it would be in the first instance, by the payment "of drawback."

3. With regard to the statement above quoted, the Committee would venture respectfully to remind their Lordships of the far greater loss of revenue which India sustained when, as pointed out by the Government of India in their Despatch of the 24th April 1888, it gave up "nearly a million "of cotton duties on the ground that they protected native industry against "English," thereby giving it "some claim on England for reciprocity on its part "in permitting free competition between foreign and native manufacturers." The Committee would also draw special attention to the fact that the concession prayed for would involve so small a loss of revenue as to make the objection to the repeal of the duties on this ground utterly valueless. In referring to this point, the Royal Commission on Currency remark, "the "amount of revenue which is now raised from it (the duty) is so small that it "could be surrendered without creating any serious disturbance of the financial "equilibrium."

4. With regard to the question of drawback, the Committee are unable to see why silver should be treated differently from any other metal or commodity, and why any drawback at all should be paid. When the Government of India, some years back, removed the import duties of 7½ per cent., there were large stocks of silver plate and gold and silver jewellery held in Calcutta and elsewhere on which this duty had been paid, but no drawback was paid on them, nor did the question ever arise; and the Committee believe that even if drawback were paid by the English Government the sum should be inconsiderable, as, owing to the uncertainty in the matter of the duties for some time past, few large stocks are held, and manufacturers have worked only to order.

5. With regard to the unwieldy and cumbersome system of compulsory hall-marking the Committee consider that it narrows and restricts the manufacture of silver in England and acts as a protectionist tax in favour of the English silversmith against the Indian manufacturer. There is no other silver standard in India but the Indian Government rupee standard, and this, under the existing English law, cannot be admitted into England. The Committee do not see any logical reason why the purchasers of silverware should have a special system to protect them from fraudulent dealers any more than purchasers of electro-plated ware or other metal; plated ware especially is quite as open to fraudulent dealing as silverware, and the fraud is even more difficult of detection. The whole system of compulsory hall-marking, and the tax with which it is associated, is obsolete and out of harmony with the free trade policy of the English Government.

6. The Committee think there is no doubt whatever that if the objectionable duties were abolished and hall-marking rendered non-compulsory, there would be a very large and progressive recovery in the silversmiths' art, while the silver trade would expand in all directions. There would be a steadily increasing demand for silver, and India would benefit in two ways, by finding another market for an industry in which native silversmiths excel all others, and by the beneficial effect on exchange of a rise in silver, consequent on a larger demand for that metal. These results would enable the Government of India to make large remissions of taxation, which at present falls heavily on the poorer classes in this country, but which taxation the Government are compelled to maintain owing to the depreciated value of the rupee, and the consequent additional large sums required to meet the annual payments in sterling in England.

7. The Committee, in urging the abolition of the duties and the system of compulsory hall-marking, have done so on arguments drawn mainly from the Indian point of view, but they are quite of opinion that, on these restrictions being removed, English silver manufacturers would benefit largely by the increased trade in silver which would result. They believe that no great

British industry has been so little progressive as the silversmiths'. A tax of 1 *s.* 6 *d.* per ounce, or about 33 per cent. on the raw material, is, the Committee consider, enough to handicap any trade, and sufficiently accounts for this particular trade being stationary, if not retrogressive. It is not arguable that excise duties may be levied on manufactures without leading to restraint of trade, and the Committee feel certain that this incubus being removed, and the present uncertain position remedied, the trade would reverse its present position and steadily expand.

In conclusion, I have to express the hope of the Committee of this Association that the Government of India will once more press for the repeal of the duties, as their maintenance in face of the cogent reasons which have been advanced for their removal both by the Government and the commercial and trading communities throughout the country is, the Committee submit, at once unjust and impolitic.

Enclosure 2, in No. 1.

From JOHN MARSHALL, Esquire, Secretary to the Bombay Chamber of Commerce, to the SECRETARY to the GOVERNMENT of INDIA, Department of Finance and Commerce, dated 4th April 1889.

Sir,

I AM directed by the Committee of the Bombay Chamber of Commerce to address you regarding the repeal of the English duty on silver plate, with reference to which this Chamber had the honour to present a memorial to the Viceroy and Governor-General of India exactly five years ago.

2. That memorial, with similar representations from other Chambers of Commerce and kindred institutions, was, my Committee are aware, duly forwarded to Her Majesty's Secretary of State with the full and unqualified support of the Government of India, and the Committee are also aware that during the interval the Government of India has lost no opportunity of representing the imperative necessity which exists for the abolition of the duty.

3. In the opinion of this Chamber, however, the present would be a most opportune time to re-open the correspondence, and the Committee venture to hope that his Excellency the Governor-General in Council may be pleased to renew his representations for the consideration of Her Majesty's Government.

4. My Committee feel that it would be supererogatory on their part to recapitulate the numerous reasons in favour of the repeal of the duty. These have never been controverted, and, indeed, are now practically admitted on all sides. But they take the liberty of pointing out how enormously the leading arguments for the repeal have gained in strength since the movement was first initiated. Silver in the interval from 51 *d.* has fallen to 42¼ *d.* per ounce, so that the duty of one shilling and sixpence per ounce, which was justly described as restrictive and oppressive when it was 35 per cent. on the value, has, now that it amounts to nearly 43 per cent., become almost prohibitive of the use of the metal for commercial and industrial purposes. In the meantime, there are good grounds for believing that, owing to the rapid increase in the number of English people visiting this country, and largely also to the effect of the Indo-Colonial Exhibition in London in 1886, the demand for Indian silver-ware has been increased to such a point that the removal of the English import duty would be at once followed by the development of an important trade which would not only benefit the artisan class in this country, but would have a perceptible influence on the permanent value of silver, and thereby on the loss in exchange which the Government of India has to incur on its home remittances.

5. On

5. On both of these points the evidence adduced before the recent Royal Commission on Gold and Silver is complete and conclusive, and, if no other argument existed, my Committee consider that the importance attached to it by the Commission as a remedy for the existing depreciation in silver would alone be sufficient to justify the claim for a repeal.

6. The chief and, in fact, the only difficulty in the way of the abolition of the duty has hitherto been, my Committee understand, the question of meeting and adjusting the drawback on the silver-plate held by manufacturers and tradesmen in England. But, seeing that the duty paid for some years past has only been from 50,000 *l.* to 60,000 *l.* per annum, it does not appear that if the drawback were limited, as it might reasonably be, only to such articles as had paid duty within a certain fixed period anterior to the date of repeal, the total sum repayable would be sufficient to appreciably disturb the financial equilibrium of a country like England.

7. The repayment of the drawback, moreover, as well as the repeal of the duty, might easily be extended over three years at the rate of sixpence per ounce per year; but in event of that mode being adopted it seems to the Committee that arrangements should be carried out for enabling Indian-made silver goods to be imported into England on payment of the ruling duty, either by recognising as equivalent to hall-marking the stamps of the Indian mints, or by affixing a special English stamp on payment of the duty, care being taken in the latter case that it should be such as not to destroy the design or ornamentation of the articles. This course might not admit of an exact assay of the metal before stamping, but if buyers were aware that they had to protect themselves in this respect, and that the customs stamp conveyed no guarantee of quality, they might reasonably be left to do so. Manufacturers and importers at the same time would not be likely to expend costly labour and pay duty on inferior metal on the chance of passing it for superior quality.

No. 2.

From the INDIA OFFICE to the TREASURY.

Sir, 29 May 1889.

With reference to former correspondence, I am directed by the Secretary of State for India in Council to forward herewith, for submission to the Lords of the Treasury, a copy of letters addressed to the Government of India by the Calcutta Trades Association, and the Bombay Chamber of Commerce, urging reasons for the abolition of the English duty on silver-plate, and of compulsory hall-marking.

I am to request that you will state to their Lordships that Viscount Cross continues strongly to hold the opinion on this subject expressed in my letter of 19th August 1887, and on other occasions, and he trusts that another year may not pass without this much-needed relief being afforded to an important Indian industry.

I am, &c.
(signed) J. A. Godley.

No. 3.

From the GOVERNMENT OF INDIA, Finance and Commerce Department, to the SECRETARY OF STATE FOR INDIA, No. 140, dated 14th May 1889.

My Lord,

IN continuation of our Despatch No. 127, dated the 23rd April 1889, we have the honour to enclose copy of a letter from the Bengal Chamber of Commerce, on the subject of the English plate duties and the system of compulsory hall-marking, and to request that, if your Lordship sees no objection, it may be communicated to the Lords Commissioners of Her Majesty's Treasury.

(We have, &c.
(signed) LANSDOWNE.
G. CHESNEY.
A. R. SCOBLE.
C. A. ELLIOTT.
P. P. HUTCHINS.
D. BARBOUR.

Enclosure in No. 3.

From S. E. J. CLARKE, Esquire, Secretary, Bengal Chamber of Commerce, to the SECRETARY to the GOVERNMENT of INDIA, Department of Finance and Commerce, dated Calcutta, 23rd April 1889.

Sir,

THE Committee of the Chamber of Commerce have read with much regret the statement in the public papers that the Chancellor of the Exchequer in his Budget statement has declared himself unable to deal with the question of the abolition of the English plate duties. Such a declaration from such a source, the Committee would respectfully represent, appears to call for renewed action on the part of the Government of India in the interests of the Indian trade in the precious metals. Such action will find strong support in England, for it is only recently that the London Chamber of Commerce addressed to the Imperial Government a remonstrance on the subject of these duties. In other parts of the United Kingdom there have been important expressions of opinion adverse to the duties kept up apparently not in the interest of the English workers generally in the precious metals, but in those of the Goldsmiths' Company.

So far back as 7th of March 1884, this Chamber addressed the Government of India on the subject of the restriction to trade caused by the plate duties; they now press upon the attention of his Excellency in Council the fact that these duties, while of no financial moment whatever, are objectionable as being protective in character and tending to the injury of the trade they are intended to protect. The exceptional character of these duties and the way in which they operate, alike condemn their intention as being the survival of conditions of trade which do not now obtain, and which in this particular instance cause the special interests of a particular corporation to conflict with those of the general public.

Connected with a question of the abolition of the plate duties, the Committee cannot but consider that a very necessary and urgent reform would be effected if the present compulsory system of the hall-marking of plate were made voluntary.

In conclusion, I am to say that this Chamber of Commerce very cordially acknowledges the debt of gratitude which the country owes to the Government of India for the manner in which it has advocated the Indian interests involved in the abolition of the plate duties, and I am to express the strong hope of the Committee that his Excellency the Governor General in Council will again press the question upon the favourable attention of the Imperial Government.

No. 4.

From the INDIA OFFICE to the TREASURY.

Sir, 26 June 1889.

In continuation of my letter of the 29th ultimo, I am directed by the Secretary of State for India in Council to forward herewith, for the consideration of the Lords of the Treasury, a copy of a letter from the Government of India enclosing a protest by the Bengal Chamber of Commerce against the continuance of the English duty on silver plate, which his Lordship would commend to the earnest consideration of the Chancellor of the Exchequer.

I have, &c.
(signed) J. A. Godley.

No. 5.

DESPATCH from the SECRETARY OF STATE to the GOVERNMENT OF INDIA, dated 27th June 1889, No. 46.—Statistics and Commerce.

My Lord Marquis,

I have to acknowledge the receipt of your letters dated the 23rd April and 14th May, Nos. 127 and 140 (Finance and Commerce), enclosing communications from the Calcutta Trades Association, and from the Bengal and Bombay Chambers of Commerce, in reference to the English plate duties and the system of compulsory hall-marking. In reply, I have to state that I entirely agree with the sentiments which you have formerly expressed on this important matter, and I have caused further representations to be addressed to the Treasury on the subject.

I have, &c.
(signed) Cross.

No. 6.

From the GOVERNMENT OF INDIA, Finance and Commerce Department, to the SECRETARY OF STATE FOR INDIA, No. 204, dated 6th July 1889.

My Lord,

In continuation of our Despatch No. 140, dated the 14th May last, we have the honour to enclose copy of a letter from the Madras Trades Association (without date) on the subject of the English import duties on Indian-made silver plate, and to request that, if your Lordship see no objection, it may be communicated to the Lords Commissioners of Her Majesty's Treasury.

We have, &c.
(signed) Lansdowne.
F. S. Roberts.
G. Chesney.
A. R. Scoble.
C. A. Elliott.
P. P. Hutchins.
D. Barbour.

Enclosure 1, in No. 6.

From C. SETON, Esquire, Chairman, Madras Trades Association, to the SECRETARY to the GOVERNMENT of MADRAS, Revenue Department.

Sir,

THE recent refusal of the Home Government to abolish the duties on gold and silver plate has prompted me to again address you. I am desired by the members of the above Association to state that they have seldom perused a communication with greater satisfaction than the recent Despatch of the Supreme Government to the Secretary of State relating to the abolition of the English import duty an Indian-made gold and silver plate.

The question of the abolition of these duties has been so exhaustively argued by the Indian Government as well as by the various Chambers of Commerce and Trade Associations that it is difficult to find arguments that have not already been advanced; but the members can hardly accept as satisfactory the opinion of Her Majesty's Secretary of State for India to the effect that he sees "no advantage in continuing the discussion at present," and the members desire me to submit their emphatic protest against such a decision.

The forcible and unanswerable arguments of the Indian Government should receive the cordial and enthusiastic support of every official, civil and military, also that of every private individual manufacturer, and artisan in India, with an unanimous and unmistakeable demand for the immediate abolition of a tax, which is both iniquitous and unfair, and which has been, by successive Chancellors of the Exchequer, admitted to be indefensible other than as a source of revenue, a consideration of little weight when the imperative demand of the Home Government was issued to abolish the cotton duties at the instance of the Lancashire manufacturers.

A Leader writer in the London "Standard" of the 30th January last, when dealing with a speech delivered by Mr. Chamberlain, said he was not prepared to dispute the arguments of the Right Honourable Gentleman to the effect that an appreciable benefit would accrue to the workmen in the precious metals when the duty was abolished; but, continuing, the writer argued that:—

> At the same time it must be remembered that the door, which is thus opened to the raw material (whatever this may mean), is also unlocked to the foreign maker, and particularly to the Indian jeweller (silversmith with his tasteful designs and delicate workmanship). . . . . The Indian artisan is likely in the near future to run the Birmingham craftsman very close, for the most perfect machinery cannot turn out work more artistic or more honest than that which the Hindu jeweller (silversmith) does every day before the eyes of his employer.

This, the jealous advocacy of a protectionist, is unworthy of Britain's traditional fair play, and herein lies the unfairness of the tax.

It is this knowledge and his natural repugnance to competition which renders the ordinary British manufacturer so jealous of the just claims of the Indian importer and Indian artisan. "Justice," however, it is unnecessary to state is not a characteristic of the British taxpayer when his, as he imagines, vested interests are attacked. The members of the Association submit that the continuance of the English import duties on Indian-made gold and silver plate is as unjust as it is impolitic, and that if "right and justice" are to prevail their immediate removal is imperative. They can hardly conceive a greater anomaly than the existence of these imposts, especially on Indian manufacturers, whilst English productions of identically the same class may be imported into India duty free. This is not, as is usually supposed, a question altogether affecting the manufacturer or dealer. It affects alike the official, the merchant, or casual visitor to this country, who may be desirous of securing specimens of Indian art, and by all of whom must the obnoxious and iniquitous impost be paid. As regards the Indian silversmith in particular, he is heavily handicapped by the English manufacturer, who, it is not generally known, makes a profit upon the rebate which he receives upon his unfinished hall-marked specimens, a consideration in which the Indian artisan cannot partake by reason of the fact that he can only submit his finished work, and upon which no rebate is allowed.

allowed. The members have throughout referred more particularly to the opposition of the British manufacturer. It is absurd to ignore the fact that, in refusing to abolish the silver duties, the Chancellor of the Exchequer is largely governed by the representation of interested producers, and that, as in the case of the cotton duties, India has again been sacrificed to the preposterous demands of the British taxpayer.

The members would respectfully draw the attention of the Government to a letter of Mr. E. J. Watherston, which appeared in the London "Times" of the 4th January last, from which it will be gathered that the Indian manufacturer has yet another grievance, the existence of which has only just been discovered.

In concluding their remarks, the members beg to express their earnest desire that the Government of India will not relax their efforts for the repeal of what is both felt and acknowledged by all classes to be an unjust and obnoxious tax.

Enclosure 2, in No. 6.

THE SILVER TRADE.

To the Editor of "The Times."

Sir,

I WAS glad to see Colonel Verney's letter in "The Times" of yesterday, as I cannot only confirm his testimony, but can give many supplementary examples of the injustice to Indian manufacturers of our laws regarding the importation of silver plate. One may suffice. Messrs. Orr and Sons manufacturers in a large way in Madras, some little time ago sent over some plate to try the English market. By the Revenue Act of 1884 it was enacted that "foreign plate of oriental design should, subject to payment of the customs duty of 1 *s.* 6 *d.* per ounce, be exempt from the compulsory obligation of assay in the United Kingdom." So the goods, although of sterling quality, have not been hall-marked. Not having been sold on account of the design being too oriental for our market, native "gods" being unattractive to English buyers, Messrs. Orr and Sons desired to return the goods to India, and, of course, assumed that the same drawback of duty would be allowed to them as allowed to British silversmiths when exporting their goods to India. But, will it be believed, the Customs and Treasury refused to recognise the articles, even on oath, as required from British exporters, the result being that Messrs. Orr and Sons must lose 24 *l.* or 25 *l.* by their enterprise. And this happens at the time when we are erecting an Imperial Institute to band more firmly together Her Majesty's subjects of all nationalities. We English are, assuredly, a peculiar people!

(signed) EDWARD J. WATHERSTON.

Pall Mall, East,
4 January 1889.

INDIA (PLATE DUTIES).

RETURN

To an Address of the HOUSE OF LORDS, dated 26th July 1889

FOR

CORRESPONDENCE between the INDIA OFFICE, the GOVERNMENT OF INDIA, and the TREASURY, on the PLATE DUTIES since November 1888.

(The Earl of Northbrook.)

Ordered to be printed 30th July 1889.

[*Price* 1½ *d.*]

(194.) H.—17. 8. 89. *Under* 2 *oz.*

REPORT OF THE PROCEEDINGS

OF THE

CONFERENCE

ON

INDIAN WHEAT IMPURITIES,

HELD AT THE

India Office on the 8th May 1889.

Presented to both Houses of Parliament by Command of Her Majesty.

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1889.

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CONFERENCE

ON

INDIAN WHEAT IMPURITIES,

Held at the India Office, 8th May 1889.

VISCOUNT CROSS, G.C.B., Secretary of State for India, in the Chair.

Present:

Members of the Council of the Secretary of State.

Sir O. T. Burne, K.C.S.I., C.I.E.
Sir Alfred C. Lyall, K.C.B., K.C.I.E.
General R. Strachey, C.S.I., F.R.S.
Sir John Strachey, G.C.S.I., C.I.E.
Sir James B. Peile, K.C.S.I.
Sir Charles A. Turner, K.C.I.E.

Private Secretaries to Secretary of State.

Mr. W. J. Maitland, C.I.E., and Mr. A. W. Williams Wynn.

Departmental Officials.

Sir Charles E. Bernard, K.C.S.I. (Secretary, Revenue and Statistics Department).
Sir Juland Danvers, K.C.S.I. (Secretary, Public Works and Railway Department).
Colonel Sir Edward R. C. Bradford, K.C.S.I. (Secretary, Political Department).
Mr. C. Lennox Peel, C.B. (Privy Council Office).
Mr. A. N. Wollaston, C.I.E. (Assistant Secretary, Revenue and Statistics Department).
Mr. W. N. Sturt.
Sir George Birdwood, K.C.I.E., C.S.I. (Special Assistant, Revenue and Statistics Department).
Mr. J. R. Royle, C.I.E.
Mr. B. J. Rose (Technical Assistant, Revenue and Statistics Department).

Delegates and Representatives.

LONDON.

John M'Dougall, Esq., C.C.
M. B. Manuel, Esq. (Messrs. Ralli Bros.).
H. T. Strawson, Esq. (Messrs. Strawson & Co.).
J. Ross, Esq. (Messrs. Begbies, Ross, and Gibson).
Messrs. Tod and Durant.
J. Mercer, Esq. (Messrs. Mercer & Co.).
J. E. Beerbohm, Esq. (Evening Corn Trade List).
G. T. Turner, Esq. (Grain Trade Review).
Kains Jackson, Esq.

London Chamber of Commerce:—
J. Harrison Carter, Esq.

London Corn Trade Association:—
Seth Taylor, Esq. (President).
W. Vale-King, Esq. (Messrs. W. Vale-King & Co.).
R. J. Duck, Esq.
P. T. Nicolas, Esq. (Messrs. Kelly & Co.).
E. J. Saltmarsh, Esq. (Messrs. *Usborne and Sons*).
J. H. Todd, Esq.

LIVERPOOL.

R. T. Smyth, Esq. (Messrs. R. T. Smyth & Co.).

Liverpool Chamber of Commerce:—
H. Coke, Esq. (President).
R. P. Nixon, Esq.
J. H. Hubback, Esq. (Messrs. Segar and Tunnicliffe).

Liverpool Corn Trade Association :—
C. J. Procter, Esq. (President).
S. Sanday, Esq. (Messrs. Sanday & Co).
H. C. Woodward, Esq. (Messrs. H. C. Woodward & Co.).

HULL.

Hull Chamber of Commerce :—
E. P. Maxsted, Esq. (Messrs. Keighley, Maxsted, & Co.).
F. B. Grotrian, Esq., M.P.

BRISTOL.

Arthur Baker, Esq. (Messrs. W. Baker and Sons).

Bristol Chamber of Commerce :—
A. R. Grace, Esq.
John Weston, Esq.

CARDIFF.

Cardiff Chamber of Commerce :—
James Tucker, Esq.
Robert Strong, Esq.

CORK.

Robert Hall, Esq. (Messrs. R. and H. Hall, Limited).

National Association of British and Irish Millers.

Samuel Smith, Esq. (Sheffield).
R. H. Appleton, Esq. (Stockton-on-Tees).
Wilson Marriage, Esq. (Colchester).
W. E. Willson, Esq. (Birmingham).
J. H. Chatterton, Esq. (Secretary).

H. D. Marshall, Esq. (Messrs. Marshall, Sons, & Co., Gainsborough).

PROCEEDINGS OF THE CONFERENCE

ON

INDIAN WHEAT IMPURITIES,

Held at the India Office, 8th May 1889.

In opening the proceedings, Viscount Cross, G.C.B. (the Chairman) said:—

Gentlemen, I am extremely obliged to you for coming here to-day upon this matter, which, I think, is of very considerable importance; and I have to thank you for the trouble you have taken in answering the request of the invitation which I took upon myself to send to you. I need hardly say that, as Secretary of State for India, I have every reason to be deeply interested in the export of Indian wheat; and I do not think that the facts of the amount of export are really known. Therefore, I had better read the figures that I have before me, which do not refer to the last year; and I purposely do not include the last year, because that happened to be a bad harvest in India, and it would rather upset the calculations. But you will remember that before the *ad valorem* duty of seven per cent. was taken off in 1873 the export of Indian wheat only amounted from British India to 17,000 tons, taking the average of the four years before the famine; and, after the duty was taken off, that 17,000 tons increased, on an average, to 137,000 tons, which was a very large increase. If you leave over the famine year, and take the four years from 1883 to 1887, you will find the average of the exports during those years amounted to not less than a million of tons. In 1887–88, when the food harvest was short, that figure dropped to 677,000 tons. Now, if the harvests are good, and the railway communication with India is still further opened and improved, as I trust it will be, we may expect the exports of Indian wheat very largely to increase, to the great benefit of the inhabitants of this country, and, I think, also to the benefit of the people of India. The value of wheat in 1887 comes to Rs. 86,259,860.

Now, when we consider that the wheat area of British India comes to about 20,000,000 of acres, and that the Native States have something like 9,000,000, or a total of 29,000,000 acres of wheat growing at the present moment, it is quite clear that this is a trade of enormous value, and it ought to be one of enormous profit.

If we compare the imports into the United Kingdom from the different countries, I find from the figures which I have before me that we have an average of the years 1885–86. From the United States there were 1,946,000 tons; from India 580,000 tons; from Russia 395,000 tons; from Canada 153,000 tons; from Germany 152,000 tons; and from Australia 134,000 tons.

I am quite aware that, owing to the state of the harvest in Russia and that of the harvest in India last year, the figures between India and Russia have been very much altered in favour of Russia and to the detriment of India. I will pass that by.

Now to the object of our meeting. It seems to me that it would be for the benefit of the consumer, and certainly of the grower, and also I should have thought of the exporter as well as the importer, that all wheat that came into this country should be as clean as it could possibly be. We find, however, that this is by no means the case, and one very notable feature in the wheat received from India, is, that the wheat which arrives in the earlier months of the year is a good deal cleaner than that which comes in the three winter months, which is very much more dirty. You have all seen those tables which I have had prepared, and you will find there that the percentage of dirt in some of the wheat that comes from India amounts to 7, 8, and 10 per cent. Of course those are special cases, but still there is an enormous amount of dirt which ought not to be there. In fact we may say that at the present moment we are going to the useless expense and the folly of paying for importing about 1,000,000 hundredweights of dirt every year from India. That is not a very business-like proceeding. I have had it calculated that that is equal to an export duty or tax of something like one and a quarter per cent. That is not a business-like proceeding, if it can be avoided.

Now, the question is, what remedy can be applied to this state of things? I dare say you have all had the advantage of seeing that selection of samples in the next room, and for that collection we are indebted to Mr. M'Dougall, who has taken a great deal of trouble in this matter. I look upon these samples as being most interesting and most instructive. Looking to the cause why the wheat should come in this state to England, I am afraid that I must say that a good deal of it is due to the form of contract under which the wheat is sold. You all know what I mean by the words f. a. q., fair average quality. That is rather an elastic term, and I cannot help thinking that if a different contract was made that we should get rid of a good deal of dirt that, unfortunately, comes into the country at the present moment. One effect of this form of contract, as I am informed, is this,—that if any one takes the trouble to export from India into this country clean wheat he does not get the value of the clean wheat because he sells it f. a. q.; and it is very difficult to make a special contract for a special cargo when the wheat is sold in a different manner.

I have seen that the Chamber of Commerce of Cardiff has made some observations upon this point which I think are worth attending to. The Cardiff Chamber of Commerce expresses the conviction that "the present fair average quality form is a "direct incentive to ship impurities, and that the only solution of the difficulty is a "permanent percentage standard which the quantities of extraneous matter must not "exceed." I understand that the Liverpool Chamber of Commerce has already adopted a different way of selling wheat, that there should not be over 2 per cent. of dirt, which seems to me to be a very much more sensible state of things. This is the response of the Liverpool Association, which I will quote from a letter of Mr. Forbes Adam, who is at Bombay. It says, "The response of the Liverpool Association was, I am happy "to say, more satisfactory. It arrived only a few weeks ago, and is dated 12th July. "It said that the members were desirous of meeting the views of the Bombay Chamber, "and had decided to alter the standards of wheat on which sales were made, and that "these standards would in future contain only 2 per cent. of dirt, seeds, and grain other "than wheat."

Well, I hope that we may have the advantage of some advice from the members of the trade whom I am glad to see assembled here to-day.

I would refer to the question of rice, which comes here free from all admixture except its own husks; and also to the matter of linseed, which some years ago arrived mixed with a large percentage of dirt; but a new contract form limiting all admixture to 4 per cent. was adopted, and now linseed is said to arrive in a clean condition. That is a hopeful thing, and an example which we can follow. I would also allude to the fact that from inquiries I have made I find that Italy and France refuse to import wheat which is not infinitely more clean than that which comes to this country. I do not see why we should not follow their example. I will not detain you any longer; I simply asked you here to get your advice and assistance with reference to Indian wheat imported into this country, which should not be allowed to come in its present dirty state, so that every one may get the advantage, the grower, the exporter, the importer, and the consumer.

I shall now be very glad to hear any remarks with which you gentlemen may favour us.

Mr. W. Vale King.—My Lord and gentlemen, we have read all your reports and papers with a great deal of interest, and the London Corn Trade Association have held many meetings to consider those reports and papers, and after a good deal of discussion they decided that the best way would be to have a sort of reply printed, which I handed in just now, and which Mr. Todd has very kindly offered to read.

The Chairman.—Will you be good enough to read it?

Mr. Todd.—It is rather a long document, and it was only put into print this morning.

(*Mr. Todd then read the following document.*)*

"At a meeting of the East Indian Wheat Committee of the London Corn Trade Association, held on the 7th May 1889, it was resolved that the following statement relating to the question of impurities in Indian wheat should be adopted as a reply to the reports and papers sent out by the India Office.

"1st. In Sir C. E. Bernard's memorandum, and throughout the correspondence with Government, whether in India or at home, Indian wheats are described as containing

* For copy of protest of the National Association of Millers against the above see Appendix G, page 34.

5 per cent. of *dirt;* and the expression of 5 per cent. *dirt* is so often, and so indiscriminately, used that it conveys to the mind an erroneous and altogether an unjust idea of Indian wheat.

"If we refer to the analysis by Mr. J. M'Dougall of the impurities in Indian wheats, in *no case* do we find a sample *with* 5 *per cent. of dirt;* and, even if we add to it the 'dust,' which we suppose is composed of flour dust of weevils, we fail to get a percentage of 5 per cent. of dirt and dust together, except in one or two cases of Calcutta wheats only. This admixture of dirt and dust, in the majority of cases, seldom reaches 2 per cent.

"2nd. In the same report of Sir C. Bernard's, the admixture of grain, seeds, and earth in Indian wheat is clearly shown to be the result of the mode of cultivation and threshing, and if to these we add that the weevil is an inherent defect in all Indian wheats, owing to climatic influences, we can easily account for the comparatively heavier admixture in Indian wheats as compared with that grown in countries where a higher standard of cultivation is adopted, without attributing this state of things chiefly to malpractices, and on that account invoking Government interference and the enactment of a Wheat Fraud Act, as is suggested in some of the reports and papers submitted.

"That the Natives do add foreign matter to their wheats to cheapen the cost is possible, and even probable; but between this and a systematic adulteration of their wheats there is a vast difference, and the enactment of a Wheat Fraud Act, like the defunct Cotton Fraud Act, apart from its being questionable whether, on general principles, trade should be interfered with by Government Acts, could only be suggested by want of knowledge of the conditions of trade, agriculture, and general manipulation of produce in India.

"3rd. It is suggested, in the reports and papers under consideration, that the fact of the shippers contracting for wheat with an admixture of foreign matter of 5 per cent. in Calcutta, and 4 per cent. in Bombay, and refusing to pay a higher price for cleaner wheats, prevents any improvement in that direction. This is correct as far as it goes. At the same time, seeing the way in which wheat is grown and manipulated in India, as set forth in Sir C. Bernard's report, we must come to the conclusion that shippers have accepted the above basis because they thought it was warranted by the normal condition of wheat as grown, which contained such an admixture. Merchants must be credited with knowing their business too well to suppose that they have fixed upon such a basis in a fanciful way, or in order to allow Natives to adulterate their wheat.

"It is suggested by Sir C. E. Bernard and Mr. F. Forbes Adam that the business in wheat, *i.e., the buying in India,* should be conducted on a basis of 2 per cent. of admixture; and by Mr. M'Dougall that *a Syndicate should be formed* to purchase and *export clean Indian wheats,* which latter we take to mean about the same thing, viz., the reduction of the present basis of 4 per cent. admixture in Bombay, and 5 per cent. in Calcutta, to 2 per cent.

"As the natural condition of Indian wheats is to contain about 5 per cent. of admixture of foreign matter on the Calcutta, and 4 per cent. on the Bombay side, the reduction of the basis to 2 per cent. of admixture will resolve itself either, first, into a discount of 3 per cent. and 2 per cent. respectively in the price agreed upon in taking delivery of the wheat from the Natives, and shipping it in its natural state; or, secondly, it would necessitate cleaning the wheat down to 2 per cent. either by the sellers before delivery or by the shippers before shipment, thereby enhancing the cost, through loss in weight and extra cleaning expenses, by about 10½*d.* to 1*s.* per quarter on a price of about 34*s.*

"Notwithstanding, however, the replies of the English millers, as given in pp. 34–40 of the papers under consideration, experience has proved that buyers in this country are not prepared to pay the above premium, and when the offer is made to them of a lot of wheat at, say, 34*s.*, f. a. q., or 34*s.* 10½*d.* in a cleaner state, the sale is invariably concluded on the f. a. q. basis.

"4th. When the question was first agitated, an Indian firm prepared and showed in the market a superior sample of No. 1 Club Bombay wheat, which they offered to sell, on a guarantee of its containing 94 per cent. of soft white wheat, not more than 4 per cent. red wheat, and the admixture of foreign matter *not* to exceed 2 per cent., at a premium of 9*d.* per quarter, and at times they have even offered it at only 6*d.* above f. a. q., but, with the exception of two cargoes sold for Ireland, they have never succeeded in selling more. Other shippers can speak of similar experiences, which

would tend to prove that the impression of the trade is well founded, viz., that buyers will give the preference to clean wheats, but will pay little or no premium for them.

"Whilst on this point, we may remark that the questions put to millers were of too vague and general a character to elicit replies much to the point. We venture to think that the replies to Question No. 3 would have been rather different if after, '*Would you use larger quantities if free from admixture and impurities?*' it had been added, '*Would you, in such a case, pay a higher price in proportion to the lower admixture, and also to cover cleaning expenses?*'

"We have it from millers themselves that they can clean wheat cheaper than shippers would charge them for doing this work, and that, *however clean the wheat may be delivered to them, they still have to clean it over again.* Besides, in buying f. a. q., they know about what they have to expect, and, whilst they are protected by arbitration from any inferiority in cases where they may be tendered parcels inferior to f. a. q., they have also the chance (not an infrequent one by any means) of getting delivery of a superior parcel without paying anything extra for it.

"It is also suggested, as a means of securing greater cleanliness in Indian wheats,—

"That wheat might be sold at home on analysis like seeds (Mr. Finucane's Report, p. 13). That the Corn Trade Associations might be asked to fix the refraction on all sale contracts of wheat at not over 2 per cent. (Mr. Forbes Adam's letter to His Excellency the Governor of Bombay, p. 26.)

"This question of selling wheat on a percentage rate of refraction has on various occasions occupied the attention of the Sub-Committee (Indian section) of the London Corn Trade Association, and has also been discussed by the General Committee of the London Corn Trade Association, but the principle so far has been considered impracticable.

"There is a great difference between selling seeds and wheat on analysis.

"1st. The quantity of any description of seeds sold is very considerably smaller than that of wheat.

"2nd. Seeds, especially linseed (by far the largest trade in seeds), show little variation in quality, and hence it is practicable in large parcels of linseed to have the analysis made on *one* average sample to determine the whole shipment. This, with the variations in quality, admixture, &c., &c., in wheat, almost from bag to bag, is *impossible*, and therefore it would be necessary for every small parcel of 50 tons or 100 tons to have separate average samples drawn, and have them analysed.

"3rd. In seeds, owing to the above slight variation in quality, a comparatively small sample is analysed; whilst in wheat a considerably larger sample will have to be analysed, and thus the cost will be greatly increased.

"The charge for analysing a sample of linseed is 5*s.*, whereas on wheat we believe it has not yet been done under 2*l.* 2*s.*, a very heavy charge on 50 tons or 100 tons of a poor article like wheat.

"4th. The quantity analysed being larger, it naturally will take much longer to analyse, and when in a large parcel of 2,000 to 2,500 tons of wheat something like 20 or 25 analyses will have to be made, it can easily be understood that delay must follow, rendering the final settlements protracted and unsatisfactory.

"5th. Lastly and chiefly, seeds are not liable to weevil. Wheat is, and sometimes it suffers *most severely* from this inherent defect. How would the advocates of analysis deal with the weevil flour dust? If they take it as refraction it would be very unjust to the shippers, who, although they may have cleaned down and shipped in India a parcel containing only 2 per cent. refraction, may be called upon, through the wheat being attacked by weevil during the voyage, to allow on final settlement 5 per cent., and even 6 per cent. or 7 per cent. on refraction, besides making an allowance for quality, in consequence of the excessive weeviled condition of the said parcel. If, on the other hand, weevil flour dust is admitted *not* to be an heterogeneous substance, how is it to be separated from the fine earth, sand, or other impurities?

"The selling, therefore, of wheat on the basis of percentage refraction is tedious, costly, and impracticable.

"One of the reasons of the present discussion is the desire to improve the condition of the Indian wheat trade; but whilst we believe that any sudden or violent change or Government interference would be injudicious and unadvisable under actual circumstances, we have every faith in the slower and more gradual but surer improvement which every trade works for itself; and we believe that if a comparison were made of the condition in which wheat is now shipped from Bombay and Kurrachee, and that of ten to fifteen years ago, a very satisfactory rate of improvement would be

perceptible in the cleanliness, grading, and general manipulation of present shipments of wheat.

"We cannot say the same of Calcutta, but the reason in this latter case is not far to seek, the development of railways in India having diverted from Calcutta to Bombay some of the finest qualities grown in the North-West and other up-country centres, which produce the cleanest kinds of wheat.

"Another reason put forward is the desire to develop the resources of India, and make it a more important wheat exporting country than at present. This would have been a reasonable view if it were found that owing to the unclean condition of Indian wheats India is obliged to carry a large stock at the end of the cereal year, which stock increased year by year owing to want of inquiry from the consuming markets. This, fortunately, is not the case, as all shippers receive in about March–April from Calcutta and Bombay, and in May–June from Kurrachee, information to the effect that wheat of the old crop is exhausted, thereby proving that India is able to place all the wheat she has available for export year by year.

"Seeing, therefore, that the natural condition at present of Indian wheats is to contain about 4 per cent. of admixture on the Bombay side, and 5 per cent. on the Calcutta; that, under the circumstances, it is not practicable to induce the Indian shippers to change their system of purchasing, and, instead of buying on the above natural refractions, to introduce an artificial basis of a 2 per cent. refraction; that buyers *practically* are not prepared to pay a *proportionately* higher price for cleaner wheats: that the system of selling on analysis here is altogether impracticable and unadvisable; that the conditions of the Indian wheat trade, although slowly, are gradually improving; that India ships and sells all her wheat available for export year by year, and that her development, in this branch at least, is not prevented by the present condition of her wheats; that the interference of Government in questions of contract as between seller to buyer is inadvisable; our opinion is that it is not advisable or desirable to try and force sudden and radical changes in the natural condition of a trade, but that it is preferable to let the improvement come gradually out of the trade itself, taking it for granted that merchants, sellers and buyers, shippers and consumers, &c., are too keenly alive to their interests to allow any opportunity for improvement in their trade, when such becomes advisable, to pass by.

"W. VALE KING,
"Chairman."

Mr. H. C. Woodward (Liverpool Corn Trade Association).—My Lord, in addressing to you a few words on this subject, I am sorry to have to admit that there is a cleavage of opinion on the point at issue between London and Liverpool. We have listened to this memorandum, but there is a strong divergence of view on certain points of it. We ourselves, as you are evidently aware from your remarks, advocate a fixed standard for Bombay wheat more especially, and also of other kinds of wheat shipped from India, with a view of popularizing and increasing their consumption, and generally to benefit the trade. We found that in competition with the London standard, which was simply on the average of a month's shipment, our own fixed standard did not work so easily, because it is obvious that a seller would commit himself to a comparatively easy task in shipping wheat as good or clean as his competitors under the London standard, while in the other case he would have to hold himself bound to fixed conditions of cleanliness and proportions of various kinds of wheat. Therefore, our own standard did not make very much headway. Whilst we see the advantage of London making up the standard as a convenient focus for collection of samples, still we felt that as in Liverpool we handled two thirds of the Bombay wheat shipped to the United Kingdom, and four fifths of the Kurrachee, our opinion ought to have some weight, and we ourselves see no difficulty, while London makes up the standard, in fixing as a refraction for the purposes of arbitration, that 2 per cent. shall be the maximum admixture of dirt and of seed other than wheat in all shipments of Bombay wheat. We believe that if you improved the quality here, it would very soon be raised to meet the case in Bombay; that if the Native found that his shipper there contracted to sell here on a certain basis, he would have to fit his contract to the contract made here, and in a short time the shipments would materially improve. The refraction fixed for Calcutta shipments might have to be more than 2 per cent., especially for shipments made in the autumn after the monsoon; and in Kurrachee shipments a special allowance would have to be made for the admixture of barley which usually occurs in wheat shipped thence, but some definite maximum of impurities should be arranged for in all cases. We have found, more

especially with regard to Calcutta, that later in the season the wheat comes in bad condition—what is known as "country damaged," and that ought to be met by the refusal to admit any parcels containing country damaged wheat into the London standards on any basis whatever. The basis of the standard ought to be sound wheat. It has rendered later shipments of Calcutta wheat, especially, extremely unpopular with our millers and buyers. As the Cardiff statement puts before you, "they don't know what they are going to get." If they buy for September or October shipment they find a much inferior article, and they are compelled to buy on the spot where they can select special parcels. We also think that the statement that buyers will not pay a better price for cleaner wheat is a somewhat exaggerated one, looking at the transactions on the spot. We quite admit for sales "to arrive," and a good deal is on that basis, it is not so easy to sell wheat on a special sample as it cannot be conveniently passed from hand to hand—and if you have a term like "No. 1 Bombay wheat," which is a recognized standard—it is easier to sell. But we maintain that there is a very large difference in the quality, and a very great many millers would give a preference to a clean wheat, and pay more for it. Our feeling is, that as you put it, my Lord, the f. a. q. is a very elastic term. We want to make f. a. q. a little tighter. The London Corn Trade Association in their memorandum on behalf of the shippers complain that they cannot get any higher price for parcels of clean wheat; we desire to frame such a contract as will provide that they shall at all events get rather a lower price for very dirty wheat. As the percentage of dirt will be less it will require rather more care in shipping, but in the interest of the miller, and in the long run the interests of the miller and of the merchant who handles the wheat are identical, the thing would be more satisfactory. We think that the objections to the raising of the standard on the part of the London Association are not well founded, and we think that the raising of the standard is both feasible and practicable. We doubt whether interference of the Government might be made available in this case. The only point is, whether an Adulteration Act should be adopted on the same principle as a man is punished who sands his sugar, so a man who puts soil into his wheat should also be punished. But we doubt the wisdom of that from a commercial point of view. That is, however, more your province than ours, but we think that the raising of the standard will improve and consolidate the business.

Mr. H. Coke (President of the Liverpool Chamber of Commerce).—Mr. Woodward has said many things of the Liverpool trade which I would have said, and which I need not now repeat. With reference to this interesting document which has been read, it contains much that we can agree to, especially the last clause, which recommends that the trade should be allowed to settle this matter for itself. I am able from my personal experience to give the corn trade as assembled here, represented by the millers, the brokers, and importers of Liverpool, and the brokers and importers of London, a very important example of the same difficulty in the matter of cotton. Your Lordship will remember that, during the American war, Lancashire urged the Secretary of State to do everything that could possibly be done to make India supply clean cotton for the mills of Lancashire in the event of any such calamity occurring again at the American war; the first point that was brought to the notice of the Government was, that it was necessary for the Government to interfere, and insist upon the cotton being properly cleaned and properly shipped; so great pressure was brought to bear upon the Government at that time in the interest of the spinning trade of this country that your Lordship will remember a Cotton Frauds Act was passed. It gave rise to a great deal of irritation. All the reasons which may now be advanced why the Government should not interfere in the matter of adulteration of wheat were also urged at that time with regard to cotton, and eventually the Government repealed the Act. But what happened immediately after the Act was repealed? The trade took up the matter, saying, "We must protect ourselves from this fraudulent "mixture, and from this shipment of dirty cotton." The principal cause of the shipment of dirty cotton at that time was the form of the contract. The only basis upon which people would buy in this country was that of "fair." There was a standard of "good fair," another of "good," very seldom did you get a standard of "fine;" but, at any rate, "fair quality" was taken as a basis for all contracts. That "fair quality" was a very inferior quality.

As I have said before, there were three grades known to the trade, but the only way in which we could make contracts for arrival business was on the basis of "fair," so that if you shipped cotton to Liverpool a halfpenny or a penny per pound better, it

had to be delivered on the basis of "fair," and the seller got no allowance for it. The consequence was that if a merchant shipped to this country large quantities of good cotton, he could not sell it to arrive except at a great sacrifice. The better cotton had to be held, as the same class of wheat is now held, to sell on its own merits, and the trade lost the benefit of the arrival business. Wheat is now in exactly the same case. The importer who has encouraged his constituents to ship the best wheat loses the advantages of selling "to arrive," because, if he sells it, the contract must be on the "fair average quality," which is the basis of the trade. A very large quantity of our own wheat comes to Liverpool, and is sold on the spot at the price of Californian wheat, which is very nearly the best in the market; we cannot trade in wheat "to arrive" because the basis of trade is "fair average quality." This basis offers exactly the same premium on shipping poor wheat that the basis of "fair" offered on the shipment of bad cotton. What happened? The merchants, represented by an old Association called the India and China Trade Association, discussed this very point which we are discussing now, and agreed that the basis of the contract was wrong, but we could not get the trade to agree to any change in the form of contract. In fact, we were in much the same position as we are now in with the Corn Trade Association of London. However, a time came when the cotton crop turned out exceedingly bad, and sellers were "slated," by very large allowances. Exporters of cotton then came together and said, "We will have no more of this; we will bind "ourselves to sell on no other terms but mutual allowances." What then happened? The speculators in the article could never fulfil their contracts, because there was no exporter to sell on the old terms, and they were obliged to come to the new form of contract. It is quite forgotten that we ever lived under such a barbarous system. The standard of arrival business, my Lord, is now raised, not to "good fair," which is the one above "fair," but to "good." The greatest quantity of cotton is now shipped on the "good" standard, and the quality is immensely improved, to the great benefit of everybody concerned in the trade. By some similar change in the form of the wheat contract we think that the same result would be obtained as regards the quality of that article. We perfectly understand that there is no intention on the part of the Government to hold over us a Wheat Fraud Act.

The Chairman.—No.

Mr. Coke.—If the gentlemen who drafted this document had had the experience which we had in cottou they would not advocate the maintenance of the present contract for wheat. Having been brought face to face in this matter, I think the corn trade of Liverpool and the corn trade of London will come together and continue to hammer at this business until it is satisfactorily settled.

Mr. J. H. Hubback (Liverpool Chamber of Commerce).—I have to speak to-day both as an importer of wheat into Liverpool to a large extent, and also as representing one of the largest local mills; I am a member of the Board of Directors of the North Shore Mills, and have the authority of the Board to speak for them on this matter.

We use about 1,500 tons of wheat in the week, say, 70,000 tons in the year. The quantity of Indian wheat which we use at present is from eight to ten thousand tons in an average season. There can be no doubt whatever (I have made careful inquiry from the mill manager on this point) that this quantity could easily be doubled if we were sure that in buying f. a. q. "we knew about what we have to expect." I am quoting from the London East India Wheat Committee's reply to the India Office, just read.

The point is really that, after the month of August, or at any rate September, we do *not* know what we have to expect, and I think it is shown by the tables with which you have supplied us, relative to the admixtures in Bombay wheat, that, from an average of 2 per cent. in the months of August and September, the average goes down suddenly to 4 per cent., or rather over 4 per cent. in November. It is just this uncertainty which prevents millers, both the North Shore Mill and others whose opinion I am also expressing, from buying Bombay wheat "to arrive" after August or September.

I would put it to the sellers of Bombay wheat whether they are not shutting themselves up to deal only with speculators. Speculators are, no doubt, a very desirable class of people, but they are only one set of buyers, while shippers could secure two sets—millers and speculators—if they cleaned their wheat more carefully. Further, I would say that I do not see any reason why good Bombay wheat, not only

the choice, should not fetch approximately the price of Californian wheat, taking one season with another, if properly cleaned, and free, not only from earth, but from stones, which are also a great drawback. I may say here that I think there is one omission which has not been touched upon; I believe the Liverpool form of contract is not mentioned in the London reply, nor even in the India Office reports.* A great many of the questions dwelt upon in the London reply are settled by the Liverpool contract; for instance, the Bombay shippers know very well that when they sell on the Liverpool contract they undertake to deliver the wheat in fair merchantable condition, and that engagement is very largely made by the shippers having houses in London as well as in Liverpool. Under these circumstances the weevil dust, and so on, is a seller's consideration. When the London East India Wheat Committee speak of "lastly and chiefly" they must be aware that the question of the wheat being attacked by weevil is dealt with under the conditions of the Liverpool contract, and that those conditions are largely accepted.

I must unhesitatingly advocate 2 per cent. refraction as being a fair basis of settlement. I think that all we want to do is to raise the basis; the basis is fixed in London, and on London standard, and if the basis is raised the whole question is settled.

The Chairman.—I understand that Mr. Manuel (of Ralli Brothers) cannot stay very long, and I therefore now call upon him.

Mr. M. B. Manuel.—My Lord, I have listened to the remarks made by the gentlemen of the Corn Trade Association, and I have also listened to the gentleman from Liverpool, who remarked, amongst other things, that if those people who penned the report of the Corn Trade Association had had any knowledge of cotton they would not have penned it. I happened to have been in Bombay at that time representing the firm with the largest interest in cotton, and although I may not agree with what the Liverpool gentleman has said, I think that he has proved the case of the London Corn Trade Association, which simply says, "Our opinion is that it is not advisable, "or desirable, to try and force sudden or radical changes in the natural condition of "a trade, but that it is preferable to let the improvement come gradually out of "the trade itself." I think that it has been proved that the improvement in the cotton trade has come out of the trade itself.

The Chairman.—I hope that it was never understood that we intended to press legislation, or to enforce it upon the trade. My wish is to see what can be done in the trade amongst themselves.

Mr. Manuel.—There is a great desire that Indian wheat should come cleaner into this country, and that is the desire of everybody. If the gentlemen who deal in wheats want cleaner wheats, they can have them. What we say is that we ought to have the question widely canvassed and faced from all points. We find that, practically, when cleaner wheats are offered, they do not get the value, and if the trade is prepared to pay, as it has done in the cotton trade, they will get it finer—if they agree to pay more for it. Ralli Brothers constantly offer fine wheats, but we can never sell them.

Mr. Coke.—Mr. Manuel must have misunderstood what I said. His idea as to how the matter should be settled seems to agree exactly with the course that I recommended. I thanked your Lordship for bringing the trade together, and I added that when we had discussed it fairly in all its bearings we should get it satisfactorily settled.

Mr. John M'Dougall.—My Lord, I am disinterested in this matter. I neither buy wheat nor sell wheat, and I simply analysed the wheat on your behalf. But I should say that the recommendations that I put at the end of the Report were simply my own ideas in the matter. I was requested by you, my Lord, to suggest any means that could be used for causing clean wheat to be brought here, and I suggested three courses,—one was the mutual arrangement between the trade that they should agree to a basis, and I suggested 2 per cent.; that there should be others who should buy clean wheat as a Syndicate, if that was desirable, or that dirty wheat should not be allowed to come here. From the analysing of these samples, I should like to call your attention to one or two points which somewhat tend to show that it is not simply a matter of what the Native arrangements are, the harvest must be taken at one

* For copy of the Liverpool Corn Trade Association East India Shipment and Delivery Contract Form and other papers, &c., see Appendix A, pages 25–42.

time, and therefore the quality for the season would be as the harvest was, but I find that the later shipments are altogether different in quality from the earlier shipments in the matter of dirt. I find that as to the quality of wheat, if a white sample is sold with a proportion of red, the proportion of red is very largely increased in the later shipments, and in many cases it is almost doubled. The proportion in the first months up to March was 21 per cent. and in July it was 40 per cent; so that red grains have increased 19 per cent. in a very few months; but I do not find that when a red sample with white is sold, that the white berry, which is of greater value, is increased in the later shipments. I say there is no reason why this state of affairs should not be altered. The gentleman who has just sat down has said that if there is a demand for clean wheat the clean wheat will be sent. The gentlemen from Liverpool and London who are intimate with the trade know that there are two ways of dealing with wheat, one is the f. a. q., wheat to arrive, where I can quite see that there is a very great deal of difficulty in selling a special sample, because wheat bought forward is, as a rule, bought for cover, and it is desirable that the sale should be immediately completed as soon as the seller wishes to take his cover to avoid a loss. But if a wheat is put upon the stand with 1 per cent. or 2 per cent. of different percentage of admixture it makes all the difference. A miller puts his hand in the bag and criticises its value to 3*d.*, and will give the increased value without the slightest doubt upon the increased quality or cleanliness. But if it is buying the special sample on the c. i. f. terms, so that the sample has to be passed and the buyer knows that he may have to sell by wire, and that the sample would have to be sent with it, there is therefore a great difficulty. In the matter of quality, the miller knows what is just the price, and nothing more or less, and he calculates his dirt; but in the c. i. f. parcel it is necessary that he should buy whatever quality is going, and therefore he does not buy the odd sample. From the present position of matters, how can the trade improve unless some action is taken to alter the terms of the contract I do not know, because if the fair average quality principle is to prevail there never will come a time when the matter can improve. It is to the disadvantage of the importer that he should ship for one season gradually improved qualities, because he has to deliver to his sellers without an increase in price, so that unless the terms of the contract are altered, I do not see how the gradual improvement is to come.

Mr. E. P. Maxsted (Hull Chamber of Commerce).—My Lord, I rather lost the point of the gentleman here on the right, Mr. Manuel. "If you bring the proper quality of "wheat to the market you will get your price for it." It has been my experience, and a very long experience, that those admixtures are simply made in order that the shipper may reduce the wheat which he receives from the Natives down to f. a. q. point; that is, we have found in Egypt, and in the Black Sea, and in other places, years and years ago, that dirt was actually put in cargoes in order to have them passed as fair average quality before the Associations existed of having it defined as to what the percentage should be. Mr. Manuel has stated his side of the matter.

I remember, some 30 or 40 years ago, his principal, Mr. Ralli, coming down to Hull and advocating the question that linseed should be sold with a guaranteed admixture, and that has been adopted, and has worked exceedingly well ever since that time for the whole trade. I think that the millers who are here present, and who will tell you very much better than I can, that they would advocate cleansing the wheat on the other side, labour being very cheap, and thus save the expense of freight, as well as deterioration of the quality caused by admixture of dirt and other substances; and thus the trade would be carried on very much more smoothly than it is at present. We all know that when a parcel of wheat arrives and is fuller of dirt than the buyer expected, and especially if the market has gone against him, that there is a great deal of trouble to get it passed. If the basis of 2 per cent. were adopted it would be fair both to the buyer and to the seller. There is no necessity to have such a large difference as 4 per cent. in wheat, and I think that my friends, the millers, will bear me out in that. There is no reason, except in a very few districts in India where they thresh out on the ground, why there should be such a large percentage; and I, on behalf of Hull—and we import no small quantity of grain from India—will go heartily with the Liverpool people in trying to get the basis raised to 2 per cent.

Mr. Seth Taylor (President of London Corn Trade Association).—My Lord, I am quite sure that we appreciate the fact of your calling us together, not only in the interest of ourselves but also in the wish that you have to improve the growth of wheat in India. We accept your disclaimer that you are not going to dictate between the

buyer and seller, which, I think, would be beyond the scope of our Legislature, whatever may be done in other countries, but I think that the limit to which the Government might interfere with advantage would be the prevention of wilful admixture of foreign substances in wheat in India. We must discriminate between what is naturally grown and is necessarily harvested with the wheat, and the system of mixing dirt with the wheat to bring it down to a standard below that which should come here. That, of course, one feels is a practice which might very fairly be made a penal offence. But that rests with your Lordship and the Government. I am quite sure that it would be to the interest of everyone if such an enactment could be passed. The difficulty there is in fixing a limit of 2 per cent. refraction is owing not only to dirt, but to the seeds of various kinds that are grown amongst the wheat. We have not only from India but from other countries foreign elements grown in the wheat, and to have a system of cleaning wheat at the port of shipment would add more to the cost of wheat than the buyer would give on the other side. However well it might be cleaned in India there would be still a necessity to clean it again on this side, and whether there were more or less dirt, we should still have to clean it here. Of course there are a number of smaller millers who have not the necessary machinery, and they would like to have wheat which they could more easily use; and, speaking for both the London and Liverpool Associations, we shall only be too glad to consider the suggestions your Lordship has made, and to introduce any clause we feel would be practicable into our contracts which would attain the end of improving the growth of wheat in India and of giving greater satisfaction to the buyers. The admixture of red wheat with white is not such a serious matter. That of course is merely a question of different value. If we get more red the value of the wheat is diminished in proportion. You referred to the different amounts of exports from India from time to time. There is no doubt that the growth of wheat has increased very largely in India, but the amount of exports for any particular year depends upon the goodness or badness of the crops. From America we have had very little indeed this year, and you cannot tell from a particular year what the average growth may be. The gentleman from Liverpool, the President of the Chamber of Commerce, spoke of the analogy of cotton with wheat. They are analogous only to a certain extent, as the value of cotton and wheat is so very different. The question of mutual allowance which he suggested, would be too vexatious and too troublesome, as it would involve the analysis of everything that came, and would be beyond the reach of practical politics and practical business.

Mr. Coke.—I did not propose that.

Mr. Seth Taylor.—The degeneration of quality was spoken to by Mr. M'Dougall. Well, the good wheat comes first, and as you get to the bottom of the pits, and as the stocks get shorter as the season advances, the inferior qualities get sent off. There is a certain allowance for this even from the best exporting countries, and we cannot avoid it altogether.

Mr. W. E. Willson (Birmingham).—My Lord, I come from Birmingham, and have the honour of representing a large number of millers in the Midland counties, and I have to say that this is to us a matter of very deep interest, and the more so to millers away from the seaports, for this geographical reason,—we being in the centre of England have a very heavy rate to pay before we can get wheat from the seaports into our mills. The railway rate from London by all the railways is 13*s.* 10*d.* per ton to Birmingham, and 14*s.* 2*d.* to Wolverhampton, I speak under correction, but only perhaps to the extent of 4*d.* per ton. The rates from Liverpool are 11*s.* 3*d.* and 12*s.* 6*d.* respectively, the rate from Hull is 13*s.* 10*d.* or 14*s.* 2*d.* Now it needs no advocacy on my part to say that it is a positive necessity to have the purest wheat that we can lay our hands on, so that we shall not have to pay carriage which amounts to two-thirds of the average rate from Bombay to this country. 20*s.* may be taken as an average rate to this country, and yet for the 112 miles distance from London, and the greater part of our Indian wheat comes through London, we have to pay 13*s.* 10*d.*, the same rate which is levied upon the finer description of flour from Vienna, Trieste, America, or any part of the world. We do feel it a very great hardship that we should have to pay for this percentage of dirt, when we have to pay this high rate of 13*s.* 10*d.* per ton. To some people it may seem a small matter, but every 2½ per cent. of dirt means 1*d.* per quarter to us in carriage only. I have heard with much pain that millers do not understand their business. I do not like to have it said that I know

so little of my business that I am not willing to give more for a clean sample than a dirty one. If gentlemen choose to confine their business transactions to buying months and months in advance, I grant that a different state of things comes in, but we as millers buy our wheat beforehand to manufacture a certain grade of flour, and we find that the wheat is at times of such an inferior quality that we cannot manufacture the flour out of it. We in the Midlands are not like Mr. Taylor, who is a merchant as well as a miller, and who can deal in Mark Lane just as easily in wheat as flour, whereas we should have to pay a commission for a sale in the market, and have to go to the market again to replace the wheat that came in unfit for the purpose for which we buy it. There is another matter alluded to in the report of the London Association, and that is with regard to the weevil. We know that it is a most noxious insect, and every one connected with the grain trade has had a great deal to do with the weevil.

But the best way is to clear us of the ravages of the weevil, as weevils are shipped in the bags of wheat. The percentage of weevil in the wheat has grown so enormously that the value of wheat has deteriorated, not 2½ but 5 or 10 to even 15 or 20 per cent., so much so that we cannot use wheat which has been weeviled, not only on account of the loss of flour out of it, but also on account of the condition of the wheat, for we find that the weevil has eaten the grains. It is not a shipper's question; we do not buy the wheat free on board, we buy it to arrive here. Messrs. Ralli should not complain, but do their best to clear us of the ravages of the weevil (laughter); and I say that this difficulty, with regard to the inferior quality of the later arrivals, precludes a great number of millers, most certainly in the Midland counties, from entering into contracts which they otherwise would desire to do, because no amount of compensation which they get from arbitration makes a sample of wheat which comes up unfit for their particular manufacture of equal value to them as what they bought.

The Chairman.—I should like to hear Mr. Appleton, who is here on behalf of the Millers' Association.

Mr. R. H. Appleton (Stockton-on-Tees).—My Lord, on behalf of the National Association of British and Irish Millers, I have pleasure in responding to your call. In the first instance, my Lord, you thanked the gentlemen here present for attending on an occasion of this kind, but I think we ought to thank you for calling us together on such an important subject as that of Indian wheat. Our wheat supply is a question of deep importance, not only to yourself and to the gentlemen present, but also to the nation at large. If you look for a moment at the present position of our agriculturists you will see that, year by year, they are growing less, and our wants are growing greater, and the question is how is that interregnum to be filled up. It is very natural to look to our own colonies for what we require to as great an extent as possible, and we have been looking for a great number of years to India as the most likely country to supply wheat for England. With regard to the quality of Indian wheat, having used it personally from the beginning, I can safely say it would be a great deal better if it were better cleaned. There is a very great loss to the millers in the way that it is now so filled with dirt. You must know, my Lord, that there are about 7,000 to 8,000 millers in the United Kingdom; but, owing to the foul state of the Indian wheat, I do not think there are above 700 or 800 millers who use it. It is very unsatisfactory to the smaller miller, because he cannot grind Indian wheat, and he cannot sell it, simply on account of its foul state. If the wheat was in a better condition every miller in England would then use it, which he cannot do at the present time. There is no difficulty at all in saying to the shipper, you shall not ship more than two per cent. of foul matter with the Indian wheat; if that were done it would come very much more into general use among the smaller millers, who, I believe I am correct in saying, are doing a large proportion of the business of the country. There is another question, and it is a most important one, that is, you cannot clean a great portion of Indian wheat, except through water. If you put wheat through water, you, to a certain extent, destroy part of its properties. Some wheat you may clean with screens, but others you cannot, and therefore it would be an immense advantage if in any way it could be managed so as to ship the wheat from India in a better and cleaner state. I do not wish at all to enter into controversial points about the charters and those other questions, but simply as a miller. I have to thank you most heartily for bringing this matter before the merchants and millers of England, and I do hope that beneficial results will accrue from this meeting to-day.

Mr. Arthur Baker (Bristol).—My Lord, I am sorry to have to stand up to dispute the reasons for not using Indian wheat which have been given by the gentleman who comes here as representing the Millers' Association of England; but, for my own part, I am bound to say I do not at all agree with all that Mr. Appleton has said. I do not wish now to enter into the controversial subjects as to the modes of cleaning Indian wheat, or as to the advantage or disadvantage of washing wheat. It is a subject on which apparently I should not agree with Mr. Appleton, but I would merely state this, that my firm are large users of Indian wheats, and, however clean the wheat of India came to this country, we should not be able to use any more of it. The use of Indian wheat, as far as England is concerned, is restricted by the want of proper provision for cleaning it, and, if the mills are properly furnished for dealing with Indian wheat, other English millers will find no more difficulty in using it than we do. There are conditions appertaining to Indian wheat which prevent its being used in some districts of England to so large an extent as in others. I refer to its quality for use in baking. It is well known that Indian wheat differs very largely in quality, and very largely in nature, and the wheats that suit the public of one part of England do not suit the public of another part of England. My own experience is, trading as I do over a great part of the South and Midland counties of England, that flour which is suitable for one portion of my trade is utterly unsuited for another portion of it, and it is this consideration, more than any other, that restricts the use of Indian wheat in my own mills and in other large mills. My Lord, I quite agree with the remarks that have been made by Mr. Seth Taylor, and I do not think that I can add anything that will give force to those remarks. But there are one or two points which have not been noticed that I would ask your Lordship's attention to for a moment. I think, my Lord, you yourself stated—it is stated in some of the papers before us—that the Indian wheats that are sold in this country are not saleable in France, and in other continental countries, by reason of their impurities. If I know anything of the corn trade, that is not the fact. My knowledge of the corn trade goes to show that Indian wheats that are easily saleable in England are just as easily saleable on the Continent.

The Chairman.—I do not think that I made such a remark.

Mr. A. Baker.—I beg your pardon if you did not, but it has been stated here to-day. I think I am right in saying that it has been stated that Italy and France did not take Indian wheats by reason of their impurities.

Mr. John M'Dougall.—I have made the statement that Italy, France, and Belgium are buyers of the better class of Indian wheats.

The Chairman.—I find that I did make the statement, and I am quite willing to give my authority.

Mr. A. Baker.—I think further inquiry will prove that that is not the case, that the same qualities saleable here are dealt in equally largely on the Continent. My own experience is this, in buying a cargo of Indian wheat I take care to have in my contract a stipulation for continental option because, if I wish to resell, the continental buyer is as free and eager a buyer as any we have in England. Then the depreciation in quality towards the end of the season, has been spoken of as though it appertained only to Indian wheat. Mr. Taylor pointed out, and I wish to emphasize the fact, that that deterioration goes on, not only in Indian wheat, but in wheat from every country of the world. I do not think that you can point to a single country from which we obtain wheat where the quality does not go down at the end of the season. Mr. Willson spoke of cleaning wheats at the port of shipment to prevent them being weevilled. Now those who have handled weevilled wheats, and who have had experience in storing wheats, will tell you that no cleaning at the port of shipment will get rid of the weevil. The dust, no doubt, may be lessened to a certain extent, but the question is, whether that lessening would not be produced in India at a greater cost than the chance of improvement is worth to the English buyer. However much you clean to prevent weevil, the English buyer would have to look specially to the risk of the wheat arriving in a weevilled condition, and he would not be willing to give the same price as for wheat which is not subject to weevil. I have no objection to raising the standard of Indian wheat.

As a miller I buy my wheats on their relative values as I expect them to come. I know very well that at certain times I must not give the same price for Indian wheat

as I should at other times of the year, but it is perfectly useless to make a standard for Indian wheat which is not practicable in the trade. If any one will examine the conditions of the growth of Indian wheat and the way in which it comes forward, they will find that, while a 2 per cent. refraction clause may be very suitable to the Bombay district, it may not be suitable to other districts. It is a well known fact that, in a large part of India, wheat and other grains and seeds are sown together in the same fields, with the object, as I believe, of securing to the Native either a crop of wheat or a crop of gram, or something else. He cannot make sure of his seasons, and therefore he takes care to make sure of, at any rate, one crop, and I believe that is the reason why the wheats of some districts contain so much more seed than do the wheats of other districts. As far as the dirt itself goes, I think that the analyses given by Mr. M'Dougall will show that the amount of dirt and dust in very few cases exceed what we have often found in the wheats of other countries, something like 1 to 2 per cent., and Mr. Seth Taylor has very rightly pointed out that, however much the wheat may be cleaned abroad, it will have to go through, in the hands of the millers, exactly the same process of cleaning as now; and, therefore, I think it is quite possible that, by imposing restrictions upon the trade which are not practicable, millers may find that they have to pay for their cleaner wheats more money than they are worth to them in comparison with the wheats that are now shipped. I am speaking from my own practical experience, but I know that a great many millers will not agree with me.

Mr. John Weston (Bristol Chamber of Commerce).—My Lord, I fear that Mr. Baker's remarks may have created a false impression of our views in the Bristol Channel. Mr. Grace and myself are deputed to represent the Bristol Chamber of Commerce, and having consulted many of the small millers in Bristol and the neighbourhood on this question, we find they differ entirely from Mr. Baker. That gentleman has gigantic flour mills fitted with the most elaborate machinery, and only represents himself. We in Bristol are thoroughly in accord with the recommendations of this interesting paper sent us from the India Office, and the Bristol Chamber considers that if by any possibility—we do not know how—Indian wheat can be imported here with only 2 per cent. of foreign admixture, it would not only largely increase its sale in our district, but considerably enhance its value.

Mr. Charles J. Procter (President, Liverpool Corn Trade Association).—My Lord, I have no doubt it has passed through your mind that we are embarked upon a sea of trouble. We have so many different opinions, whereas we should be united. But speaking as being in close touch with the bulk of our large northern millers, both from Liverpool and Hull, I may say that the Indian wheat trade itself is suffering very much from the present system of standards. In fact, we are liable to unexpected disasters, especially towards the end of the season. We may buy wheat to get something fair, and yet may have to receive possibly what is considerably damaged, owing to the standard being made up from actual shipments, and may have to take it without sufficient allowance. There is also the amount of dirt, and, as you would see by the various percentages in the Calcutta and Bombay wheat standards, there is a sliding scale for 2, 4, 6, and 8 per cent. backwards and forwards. What is a miller and buyer to expect? He does not know, and he buys with extreme caution. The larger millers are able to deal with this question a great deal better than the smaller millers. If we elevate the standard, we at once elevate the price of Indian wheat. It may not be observable at once, as comparisons are difficult, but with 2 per cent. refraction on Bombays, they would occasionally be on a par with Californians, and, as compared with other wheats, would at once command a higher value.

This question has arisen frequently, but unfortunately, owing to the lack of cohesion on the part of buyers and millers, it has been very difficult to treat with. Frequently we have talked the matter over in our Association at Liverpool, and tried to bring about a change in the standards with the London Association, but there has never been sufficient force to make any alteration, and I only hope that the effect of this meeting may be to so open the eyes of all that we may arrive at some satisfactory conclusion as to the making of a London standard which will practically meet all the difficulties of the case. The question of analysis, although it has been referred to as a very difficult one, may perhaps after all not prove to be the bugbear that some imagine. Analysis might prove an expensive matter, but the idea is not so much to obtain scientific accuracy as to get an approximate result, and to gradually elevate the standards.

The Chairman.—I will now ask Mr. Harrison Carter, of the London Chamber of Commerce, to favour us with his views.

*Mr. J. Harrison Carter** (London Chamber of Commerce).—My Lord, I was not expecting to be called upon to speak to-day, but I shall add my few words to the discussion with very great pleasure, but with a certain amount of hesitancy. It seems to me that the discussion has turned too much perhaps on really a trade aspect, and that it would have been probably better if a patriotic view had been taken on this question. It seems to me important for our national interests that this enormous importation of wheat from one of our greatest possessions should come to this country in the best and purest state. Now, my Lord, my qualification for addressing this meeting to-day is, I believe, based on the fact that I have taken some part in introducing into this country the modern system of milling. Well, my Lord, I am astonished beyond measure at the uncompromising document put forward by the London Corn Trade Association. But, my Lord, I am glad to say that that document has been spoken to in a far less uncompromising, in fact in a very liberal, spirit by one of the Association, Mr. Seth Taylor, and therefore I do hope that the uncompromising nature of the document may not be carried to its fullest extent. Now, with regard to the system of cleaning Indian wheats to which Mr. Baker has referred, I think that Mr. Baker himself will acknowledge that it is only comparatively recently that he has been able to carry out a satisfactory method of cleaning these wheats, and that even now that system is not perfect. But, my Lord, though I have not myself constructed machines for cleaning Indian wheat, in furnishing and erecting mills, and in carrying out contracts, I have had to select those that I thought best. A short time ago I had to fit up a mill in Bombay, and I sent out the very best wheat cleaning and washing machinery that I could. But even the millers in Bombay were not satisfied with that machinery. Only quite recently I completed a large contract in Calcutta, and I was told by the millers there that they would not require wheat cleaning machinery, because they could purchase their clean wheat. Well, my Lord, only within the last few weeks I have had my first letter from the engineer in charge of the erection of that mill. He says:—"We have "started the mill. We have had a very satisfactory run. We have been working "eight days, ten hours a day, but the 'break' flour is not clean, it seems impossible "to get it clean." My Lord, that is because they would not take the wheat cleaning machinery which I had recommended them. But I should add, so certain was I that they would find themselves in very great difficulties if they did not have this machinery, that I kept every mail writing to them and impressing upon them the fact that they must have it, and at last they sent me a telegram ordering it, and my foreman says, "We shall never get this flour cleaned till the machinery arrives." Well now, if they cannot in India—where they tell me they could procure clean wheat—if they cannot procure them there, how is it to be expected that persons in England, buying through merchants in India, can obtain them? I can speak with perhaps a greater knowledge of the millers of this kingdom even than the Corn Trade of London, because my business has taken me over the whole kingdom, and some of the largest and most extensive millers in the kingdom at the present time have, I think I may safely say, never used a cargo of Indian wheat, simply because they have found the quality unsatisfactory unless the dirt was abstracted from it, and they have found in using Indian wheat that with the most perfect machinery it is impossible up to the present time to get a perfect cleansing of that wheat. I could say much more, but I have already occupied too much of your time. I think that the London Corn Trade Association would do well if they would listen to the words spoken from Hull and Liverpool and from the millers of this country, and would try to do something to wipe out the effects of this uncompromising document.

Mr. P. J. Nicolas.—My Lord, may I say one word as a Calcutta shipper. We quite agree that the wheat ought to be much cleaner than it is, but this is entirely a question of price. If buyers in this country will only pay the additional cost of cleaning the wheat in India they shall have it cleaned. My firm at one time were told that if we sent clean wheat into this country we should not only get a fine price, but establish a great name, and accordingly I bought a machine here costing some 30*l.* or 40*l.*, and sent it out to Calcutta. We cleaned a small quantity there every day and shipped it when it was ready, but the result was that when this wheat was put on the stands in London it fetched very little more than the wheat that was sold

* See also letter from this gentleman, Appendix D, page 32.

"as fair average quality." The millers and others simply stated "We cannot "afford to pay for it," and they say so still. If you will ask Mr. Taylor or any of the other large millers, they will tell you that they must clean the wheat here, and by having it cleaned at the other side as well they are practically paying for having it cleaned twice over. The whole thing resolves itself into a question of price. If consumers here are willing to pay for the double cleaning they can have it double cleaned.

My firm will any day make a contract for wheat cleaned down to 2 per cent., if the buyers here will only pay the price of cleaning down to that percentage.

There has been some misapprehension about the linseed question. I happen to know something about linseed.

It is stated in one of the papers that your Lordship put forth that linseed has improved in cleanliness lately. Undoubtedly it is cleaner than it was 20 or 25 years ago, but the crushers here took it into their heads, as some of the Liverpool Association are doing now with wheat, that they would like to get nearly pure linseed without mutual analysis, and that they would run the chance of getting it cleaned as they did before and at the same price. The consequence has been—some of the gentlemen in the room can bear me out—that the seed has for the last two or three years come in much dirtier. We have gone away from the mutual analysis basis, and we are coming back to dirty seed again. So that it is a question of price both in wheat and in linseed. If you pay us for what we ship, you will have a good quality, but if you do not, whatever agreements we may come to otherwise will fall to the ground.

Mr. A. R. Grace (Bristol Chamber of Commerce).—My Lord, I can scarcely agree with the remarks of the last speaker. He has spoken about cleaning the wheats. I think what we really want is to prevent the putting of the dirt in, and let us bring the wheat clean from the Natives and ship it in its purity, it would then not require cleaning.

*Mr. Samuel Smith** (Sheffield).—My Lord, I happen to be situated between two seas, about equi-distant with Hull on one side, and Liverpool on the other, and I should be very glad to pay something extra for the clean wheat. I find in the Report, of which you have kindly sent me a copy, in answer to a question, "Whether the millers "approved of a form of contract limiting the admixture of dirt, seeds, and grain other "than wheat to 2 per cent.; how many approved of it?" *There were 429*, and how many disapproved of it? I find there were *four*, and I presume the four had all got good cleaning machines. I have got the best cleaning machinery that I can find, but still I shall be very glad indeed to have the wheat coming to me ready cleaned. I have the sea 60 miles distant on one side, and 70 miles on the other, and it is a serious thing for me as it is for every one in our insular position to get wheat to our mill, and then to find that we cannot use it when we have got it there. We could not find a market for it if we got it home and it did not suit us, we should have to send it back to the ports, and to get what we could for it. I have known an instance in which a miller bought a large quantity of wheat, and under arbitration he was obliged to take it, and it ruined him. These considerations are not applicable to those who are near the ports. These gentlemen who live at the ports, and who have got good cleaning machinery, can deal with it with one cleaning, I suppose; but I am in the habit of using about 100 tons of Indian wheat per week, and I clean it all twice. I have to clean it twice, and as to the gentleman who said that if we will pay for clean wheat we shall have it, I for one should be very glad to have it, and then I shall have to clean it only once. I have to give it a separate cleansing; and we have to put some of it through water, and the water gets into the percolations that the weevils have made, and it damps the starchy part of the wheat, and sometimes renders it almost unfit for use; and it is a grief and trouble that we on this side have to endure. I could not suggest any manner in which those people abroad could manage their business better. I do not suggest that the ryots will clean it better than they do, because they have not the means. Perhaps the buyer who collects it between where it is grown and the port may have some difficulty, but is there any reason why the shippers should not have it graded, the same as they do in America? and if they can enhance its value, and turn the dirt out, and make it 5 per cent. better, I will give more than they will have to pay for the cleaning. I can hardly understand this Report where it says that people will not give more for clean wheat than unclean wheat. I always thought

* See also letter from this gentleman, Appendix E, page 33.

that the millers were obliged to be a little 'cute if they are to live at all, and it is an extraordinary thing to me if millers will give the same price for inferior wheat that they do for clean wheat. Another advantage of cleaning the wheat would be that Mr. M'Dougall may lose his calling, we should not want any analysis. If we got wheat clean, we could not have anything better, and we should be satisfied to be saved the trouble of cleaning, and we should be able to value the wheat. I, as a user of Indian wheat, think very highly of it, and I should use more of it than I do but for the difficulties that we have, and especially, as one gentleman who spoke before said, the difficulty of getting out the stones. I do not believe that difficulty is quite overcome yet, but it is very much improved. I believe that the thing is advancing. We have been told that the Indian wheats have been improved in shipment. There has been much improvement, from what I have seen, in from ten to fifteen years. That is a favourable augury. That shows that they are capable of improving it, and it remains for them to try to do it better. I think that the buyers, to a great extent, have the question in their own hands. If we as millers were to say we will only buy clean wheat of a particular class and have no other, I think that the sellers, in their interests (and no one knows their own interests so well), would give us all that we ask for. I am satisfied that it would be better for them and for us. It cannot be of any value to them to send me 36 stones of Indian dirt to Sheffield, where we have enough of that already, and ask me to pay the price of good wheat for it.

Mr. M'Dougall.—Perhaps I may be allowed to reply to Mr. Smith, who said that I should lose with reference to the analysis. Well, I have no calling of that sort.

Mr. J. H. Todd (London Corn Trade Association).—Objection has been taken to what is called the uncompromising nature of the London Corn Trade Association reply. Well, we have looked into this matter most carefully, and we have done our best to meet the views contained in the Report which your Lordship has favoured us with, but we find insuperable difficulties in the course of the trade, and nothing dropped to-day has shown us how to get over them. I am perfectly certain, as a Bombay merchant (and I can speak not only for them but for the Calcutta merchants), that the moment any practical suggestion is made whereby our trade may be improved, and either our profits made larger or our losses smaller, no one would be more glad to receive them than we should.

The Chairman.—Well, gentlemen, I have heard this discussion with the greatest interest. I did not expect that you would come at once to a unanimous resolution, or that you would come to a resolution at all here. That is not the object of this meeting. The object was to have a fair and free discussion upon this very important matter, and I think you will all admit that we have had a very fair and free discussion.

(The proceedings then terminated.)

Note.—The report of the above proceedings has been corrected throughout by the several gentlemen who addressed the meeting on the occasion.

APPENDIX A.

No. 20.—EAST INDIA SHIPMENT AND DELIVERY CONTRACT.

THE LIVERPOOL CORN TRADE ASSOCIATION, LIMITED.

Liverpool, *25th May* 1889.

We have this day sold to *A.B.** on the terms of the Printed Rules of The Liverpool Corn Trade Association, Limited, and the Clearing House Regulations relating to Margins,* *about one hundred tons Number One Bombay wheat, London Standard*, at 6*s.* 6*d.* per 100 lbs., *say six shillings and sixpence.*

To be of fair average quality at the time and place of shipment.

June and/or *July* shipment from *Bombay, viâ Canal* to Liverpool, per steamer or steamers.

To be delivered, ex quay and/or store, at Seller's option, in fair merchantable condition; a slight dry warmth and slight weevilling not to be objected to. Importer's bags for Seller's account.

Particulars of shipment shall be declared by the first Seller to his Buyer before the vessel named has appeared in the Bill of Entry, unless the vessel brings its own advices, in which case an extra day shall be allowed. All declarations shall be made for shipments by steamers within thirty-five days, and for shipments by sailing vessels within fifty days after the date or month of shipment named in the Contract, or if more than one month is named, then after the actual month of shipment. If the Seller shall make default of declaring within the period above named, the Buyer shall have the right of closing the Contract by invoicing the grain back to the Seller, at its market value, such market value to be settled by arbitration, and it shall also be in the discretion of the Arbitrators to award damages, if any, not exceeding 5 per cent. of such value, according to the special circumstances of the case. There shall not be more than two separate declarations on each 2,500 centals of grain. In case of re-sales, a copy of first declaration shall be accepted by Buyers if passed on in due course.

Ship damaged or sea-water damaged grain may be rejected, and the Contract, so far as regards the quantity rejected, shall be at an end.

In the event of the grain declared, or any part thereof, being prevented from arriving by perils of the seas, the Contract, so far as regards such grain, shall be at an end.

In case of prohibition of export, blockade, or hostilities preventing shipment, this Contract, or any unfulfilled part thereof, shall be at an end.

Seller to pay *our* brokerage of *half* per cent., Contract cancelled or not cancelled.

Bill of Lading to be considered proof of date of shipment in the absence of evidence to the contrary.

Any separate parcel declared in partial execution of this Contract shall be considered as if shipped under a separate Contract.

If the grain tendered, or any part thereof, is not in accordance with the Contract as regards quality and/or condition, the Arbitrators shall award that the grain be taken with an allowance, or be invoiced back to the Seller at the market price of the grain contracted for on the day of arbitration, in either case with or without a penalty, not exceeding 5 per cent. on such price, according to the special circumstances of the case.

If at the time of tender the standard for the month's shipment has not been made up, the Arbitrators may decide on the last previous available standard, or on such other evidence as they may think fit, whether or not the grain is to be invoiced back to the Seller, but the price at which it is to be invoiced back shall stand over until the standard for the month in which the grain was shipped has been made up, and shall then be decided by arbitration, according to the price of the day of the former arbitration. Any claim of the Buyer to an allowance from the Contract price shall also stand over, and be decided by arbitration in like manner.

Payment, as per Rule 8, allowing interest equal to three months from date of being ready for delivery.

This Contract is made between yourselves and ourselves and not by or with any person, whether disclosed or not, on whose instructions or for whose benefit the same may have been entered into.

(*Signed*) *C.D.*

* The portion of the above form filled up in writing is shown in *italics.*

No. 20.—EAST INDIA SHIPMENT AND DELIVERY CONTRACT.

THE LIVERPOOL CORN TRADE ASSOCIATION, LIMITED.

Liverpool, *25th May* 1889.

We have this day bought from *C.D.*, on the terms of the Printed Rules of The Liverpool Corn Trade Association, Limited, and the Clearing House Regulations relating to Margins, *about one hundred tons Number One Bombay wheat, London standard*, at 6*s.* 6*d.* per 100 lbs., *say six shillings and sixpence.*

To be of fair average quality at the time and place of shipment.

June and/or *July* shipment from *Bombay, viâ Canal* to Liverpool, per steamer or steamers.

To be delivered, ex quay and/or store, at Seller's option, in fair merchantable condition; a slight dry warmth and slight weevilling not to be objected to. Importer's bags for Seller's account.

Particulars of shipment shall be declared by the first Seller to his Buyer before the vessel named has appeared in the Bill of Entry, unless the vessel brings its own advices, in which case an extra day shall be allowed. All declarations shall be made for shipments by steamers within thirty-five days, and for shipments by sailing vessels within fifty days after the date or month of shipment named in the Contract, or if more than one month is named, then after the actual month of shipment. If the Seller shall make default of declaring within the period above named, the Buyer shall have the right of closing the Contract by invoicing the grain back to the Seller, at its market value, such market value to be settled by arbitration, and it shall also be in the discretion of the Arbitrators to award damages, if any, not exceeding 5 per cent. of such value, according to the special circumstances of the case. There shall not be more than two separate declarations on each 2,500 centals of grain. In case of re-sales, a copy of first declaration shall be accepted by Buyers if passed on in due course.

Ship damaged or sea-water damaged grain may be rejected, and the Contract, so far as regards the quantity rejected, shall be at an end.

In the event of the grain declared, or any part thereof, being prevented from arriving by perils of the seas, the Contract, so far as regards such grain, shall be at an end.

In case of prohibition of export, blockade, or hostilities preventing shipment, this Contract, or any unfulfilled part thereof, shall be at an end.

Seller to pay *C.D.'s* brokerage of *half* per cent., Contract cancelled or not cancelled.

Bill of Lading to be considered proof of date of shipment in the absence of evidence to the contrary.

Any separate parcel declared in partial execution of this Contract shall be considered as if shipped under a separate Contract.

If the grain tendered, or any part thereof, is not in accordance with the Contract as regards quality and/or condition, the Arbitrators shall award that the grain be taken with an allowance, or be invoiced back to the Seller at the market price of the grain contracted for on the day of arbitration, in either case with or without a penalty, not exceeding 5 per cent. on such price, according to the special circumstances of the case.

If at the time of tender the standard for the month's shipment has not been made up, the Arbitrators may decide on the last previous available standard, or on

such other evidence as they may think fit, whether or not the grain is to be invoiced back to the Seller, but the price at which it is to be invoiced back shall stand over until the standard for the month in which the grain was shipped has been made up, and shall then be decided by arbitration, according to the price of the day of the former arbitration. Any claim of the Buyer to an allowance from the Contract price shall also stand over, and be decided by arbitration in like manner.

Payment, as per Rule 8, allowing interest equal to three months from date of being ready for delivery.

This Contract is made between yourselves and ourselves and not by or with any person, whether disclosed or not, on whose instructions or for whose benefit the same may have been entered into.

(Signed) *A.B.*

Adopted 7th December 1887.

Entered at Stationers' Hall, and sold only at the Clearing House of the Association.

No. 21.—EAST INDIA SHIPMENT AND DELIVERY CONTRACT.

LIVERPOOL STANDARD. MUTUAL ALLOWANCES.

THE LIVERPOOL CORN TRADE ASSOCIATION, LIMITED.

Liverpool, _____ 188

We have this day sold to _____, on the terms of the Printed Rules of the Liverpool Corn Trade Association, Limited, and the Clearing House Regulations relating to Margins, _____

_____

at _____ per 100 lbs. _____

To be equal to the Official Standard _____ adopted by, and in force with, the Liverpool Corn Trade Association, Limited, at this date.

_____ shipment from _____

viâ _____ to Liverpool, per steamer or steamers _____.

To be delivered, ex quay and/or store, at Seller's option, in fair merchantable condition; a slight dry warmth and slight weevilling not to be objected to. Importer's bags for Seller's account.

Particulars of shipment shall be declared by the first Seller to his Buyer before the vessel named has appeared in the Bill of Entry, unless the vessel brings its own advices, in which case an extra day shall be allowed. All declarations shall be made for shipments by steamers within thirty-five days, and for shipments by sailing vessels within fifty days after the date or month of shipment named in the Contract, or if more than one month is named, then after the actual month of shipment. If the Seller shall make default of declaring within the period above named, the Buyer shall have the right of closing the Contract by invoicing the grain back to the Seller, at its market value, such market value to be settled by arbitration, and it shall also be in the discretion of the Arbitrators to award damages, if any, not exceeding 5 per cent. of such value, according to the special circumstances of the case. There shall not be more than two separate declarations on each 2,500 centals of Grain. In case of re-sales, a copy of first declaration shall be accepted by buyers if passed on in due course.

Ship damaged or sea-water damaged Grain may be rejected, and the Contract, so far as regards the quantity rejected, shall be at an end.

In the event of the Grain declared, or any part thereof, being prevented from arriving by perils of the seas, the Contract, so far as regards such Grain, shall be at an end.

In case of prohibition of export, blockade, or hostilities preventing shipment, this Contract, or any unfulfilled part thereof, shall be at an end.

Seller to pay _____ Brokerage of _____ per cent., Contract cancelled or not cancelled.

Bill of Lading to be considered proof of date of shipment in the absence of evidence to the contrary.

Any separate parcel declared in partial execution of this Contract shall be considered as if shipped under a separate contract.

If the Grain tendered, or any part thereof is, as regards quality, and/or condition and/or admixture of dirt, inferior to the Standard, the Arbitrators shall award either that the Grain be taken with an allowance or be invoiced back to the Seller at the market price of the Grain contracted for, on the day of arbitration, in either case with or without a penalty not exceeding 5 per cent. on such price, according to the special circumstances.

A difference in value of one penny per cental, or less, shall not entitle Buyer or Seller to any allowance, but this stipulation shall not be taken into account should the difference in value exceed one penny per cental. Should the quality of the Grain tendered be superior to the Standard by more than one penny per cental, the Seller shall be entitled to an increase of the price, such increase not in any case to exceed twopence per cental.

Payment, as per Rule 8, allowing interest equal to three months from date of being ready for delivery.

This Contract is made between yourselves and ourselves and not by or with any person, whether disclosed or not, on whose instructions or for whose benefit the same may have been entered into.

No. 21.—EAST INDIA SHIPMENT AND DELIVERY CONTRACT.

LIVERPOOL STANDARD. MUTUAL ALLOWANCES.

THE LIVERPOOL CORN TRADE ASSOCIATION, LIMITED.

Liverpool, _____ 188

We have this day bought from _____, on the terms of the Printed Rules of the Liverpool Corn Trade Association, Limited, and the Clearing House Regulations relating to Margins, _____

_____

at _____ per 100 lbs. _____

To be equal to the Official Standard _____ adopted by, and in force with, the Liverpool Corn Trade Association, Limited, at this date.

_____ shipment from _____

viâ _____ to Liverpool, per steamer or steamers _____.

To be delivered, ex quay and/or store, at Seller's option, in fair merchantable condition; a slight dry warmth, and slight weevilling not to be objected to. Importer's bags for Seller's account.

Particulars of shipment shall be declared by the first Seller to his Buyer before the vessel named has appeared in the Bill of Entry, unless the vessel brings its own advices, in which case an extra day shall be allowed. All declarations shall be made for shipments by steamers within thirty-five days, and for shipments by sailing vessels within fifty days, after the date or month of shipment named in the Contract, or if more than one month is named, then after the actual month of shipment. If the Seller shall make default of declaring within the period above named the Buyer shall have the right of closing the Contract by invoicing the grain back to the Seller, at its market value, such market value to be settled by arbitration, and it shall also be in the discretion of the Arbitrators to award damages, if any, not exceeding 5 per cent. of such value, according to the special circumstances of the case. There shall not be more than two separate declarations on each 2,500 centals of Grain. In case of re-sales, a copy of first declaration shall be accepted by Buyers if passed on in due course.

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In case of prohibition of export, blockade, or hostilities preventing shipment, this Contract, or any unfulfilled part thereof, shall be at an end.

Seller to pay _____ Brokerage of _____ per cent., Contract cancelled or not cancelled.

Bill of Lading to be considered proof of date of shipment in the absence of evidence to the contrary.

Any separate parcel declared in partial execution of this Contract shall be considered as if shipped under a separate Contract.

If the Grain tendered, or any part thereof, is, as regards quality and/or condition and/or admixture of dirt, inferior to the Standard, the Arbitrators shall award either that the Grain be taken with an allowance, or be invoiced back to the Seller at the market price of the

Grain contracted for on the day of arbitration, in either case with or without a penalty not exceeding 5 per cent. on such price according to the special circumstances.

A difference in value of one penny per cental, or less, shall not entitle Buyer or Seller to any allowance, but this stipulation shall not be taken into account should the difference in value exceed one penny per cental. Should the quality of the Grain tendered be superior to the Standard by more than one penny per cental, the Seller shall be entitled to an increase of the price, such increase not in any case to exceed twopence per cental.

Payment, as per Rule 8, allowing interest equal to three months from date of being ready for delivery.

This Contract is made between yourselves and ourselves and not by or with any person, whether disclosed or not, on whose instructions or for whose benefit the same may have been entered into.

Adopted 7th December 1887.

Entered at Stationers' Hall, and sold only at the Clearing House of the Association.

BYELAWS (including RULES) of the LIVERPOOL CORN TRADE ASSOCIATION, Limited, in force on and after 9th May 1887.

SECTION B.

Rules relating to Contracts.

Examination, Acceptance, and Rejection of Bulk.

1. Buyers of all Grain, Flour, Meal, and other articles must examine the bulk as early as possible after the purchase is effected, or in cases where the goods are sold for future delivery, as soon as possible after they are ready for delivery, and tender in writing made to the buyer. The Buyer shall be deemed to have accepted the bulk, unless he shall have delivered notice, in writing, to the Seller before 6 p.m. (Saturdays, 3.30 p.m.) of the day of sale, or day of tender, as the case may be, rejecting the bulk or stating reasons why it cannot be examined within that time. In no case, however, shall the time for examination or rejection of the bulk be extended beyond 11 a.m. of the business day next following the day of sale or tender, but this Rule shall be subject to the provision in Rule No. 14 as to heated, sour, or damaged flour.

In the case of tenders made through the Clearing House, all notices shall be handed to the Clearing House Secretary within the hours provided by the Clearing House regulations.

Tenders.

2. Tenders of goods sold for future delivery shall be made before 11 a.m., and if made later shall be deemed to have been made on the business day next following, but any goods tendered before 11 a.m. may be re-tendered, in whole or in part, to successive buyers at any time before three o'clock of the same day, provided such re-tender is made within fifteen minutes from the time when the person making such re-tender has received the Tender for such Goods. Any person failing to re-tender within fifteen minutes of the time aforesaid, and before three o'clock, shall be deemed to be the last Buyer. Each buyer shall mark on the Tender the time at which he received it, and, in case of re-tender, shall communicate the time to the succeeding Buyer. Tenders shall state the Contract date, and shall be accompanied by a Sampling Order, identifying the goods tendered, and shall be made to the Buyer whose name appears on the Contract, at his office; but if the Buyer has no office within a radius of 500 yards of the Corn Exchange, then the Tender may be made to the Broker at his office, or in case no Broker has been employed, then at an office in Liverpool, to be named previously by the Buyer, and to be situated within such radius.

But as regards registered Contracts, and as regards the last day of the currency of any delivery Contract, or of each month, this Rule shall be subject to the Regulations of the Clearing House for the time being in force.

When goods are sold for delivery within any given period, it shall be a sufficient compliance with the Contract if they are ready for delivery, and notice thereof be given within that period.

Holidays.

3. When the last day on which a Tender or Declaration should be made is a Holiday, that is to say, a Sunday, New Year's Day, Good Friday, the Saturday before Easter Day, the Saturday before Whit Monday, the Saturday before the Bank Holiday in August, Christmas Day, Bank Holiday, or Holiday appointed in accordance with the Byelaws, the tender or declaration shall be considered as due on the business day next preceding. Any Tender or Declaration made on any such Holiday shall be deemed to have been made on the business day next following.

Separate Declaration or Tender.

4. There shall not be more than four separate Declarations or Tenders for each 5,000 centals of Grain, or 2,500 centals of Flour or Meal; or more than two Declarations or Tenders for each 2,500 centals of Grain, or 1,250 centals of Flour or Meal, or any less quantity. If goods ex different ships or different warehouses be tendered on one form the tender ex each ship or warehouse shall, for the purpose of this rule, be considered a separate Tender.

Meaning of "about."

5. The word "about," when used in contracts with reference to quantity, shall mean within 5 per cent. over or under the quantity stated.

Default in Tendering.

6. In case a Seller for future delivery shall make default in tendering in accordance with these Rules, the Contract shall be closed on the last business day of the period specified in the Contract for Tenders, and the Seller shall pay to the Buyer the difference between the Contract price and the price of such last business day, together with such penalty, not exceeding 5 per cent. on such price, as may be decided by Arbitration.

Clearing House Regulations.

7. Contracts for Future Delivery, and for Shipment and Delivery, shall be subject to the General Clearing House Regulations, and to the Regulations relating to Margins in force at date of each Call or Release respectively, and to the Regulations relating to Declarations in force at the date of each Declaration, and to the Regulations relating to Tenders in force at date of each Tender.

Payment.

8. All payments for Goods sold for future delivery shall be made within three business days from the date of the Tender, by cash or by deposit made in accordance with the Clearing House Regulations, in exchange for a delivery order.

Insolvency of Seller or Buyer.

9. If, before the maturity of any Contract, either party shall suspend payment, or become bankrupt or insolvent, or be declared a defaulter by the Clearing House Committee, the Contract shall forthwith be closed either at the market price then current for similar Goods for delivery at the time named in the Contract, or, at the option of the other party, at a price to be ascertained by re-purchase or re-sale before the expiration of the following business day, and the difference between the contract price and the closing price shall be the measure of damages payable under such Contract. This rule is subject to any exceptions made by the Clearing House Regulations relating to Periodical Settlements.

Delivery.

10. The Seller's responsibility shall cease on delivery into carts or other conveyances from the ship, quay, or warehouse. When goods are sold "ex ship," or "ex quay," the Buyer shall take delivery at the ship or quay in carts or other conveyances provided by him, and in case he shall fail to do so within twenty-four hours after notice of the Seller's readiness to deliver, the Buyers shall bear all fines, demurrage, watching, or other expenses which may be incurred, and after a further period of forty-eight hours the Seller shall be at liberty to land, weigh over on the quay, or warehouse the Goods at the Buyer's expense. The Buyer shall not be required to take delivery of more than 2,000 centals of Grain, Flour, or Meal per day. In case of sales "ex ship," any goods landed in excess of the above-named quantities shall be deemed to have been discharged at the Seller's risk and expense, and the Buyer may require the excess to be weighed and delivered in the same manner as if the sale had been made "ex quay." If required, the Buyer shall provide and send to the place of delivery the requisite number of sacks. All Grain imported in bags shall be skipped at Seller's expense into bulk, either in ship's hold or on the quay, before delivery into Buyer's sacks. The Buyer may require each sack to be weighed singly.

In case goods sold for future delivery shall be tendered in warehouse, the Buyer shall take delivery within twenty-four hours after the tender is made, and in case he shall fail to do so the Seller shall be at liberty, after a further period of forty-eight hours, to weigh over the goods, and, in case of Flour, at the expense of the Buyer, to stow back; and the Buyer shall be responsible for all rent, fire insurance, and

other charges and expenses which may thereafter be incurred.

Rent.

11. Except as provided in Rule 10, rent on all Grain, Flour, and Meal in warehouse or other store shall be borne by the Seller for fourteen clear days from the day of sale, unless the delivery shall in the meantime have taken place, and after the expiration of that time the Seller shall be at liberty to weigh over the Goods, and, until delivery, to charge the Buyer with rent.

Risk of Fire.

12. Risk of fire shall be upon the Seller on such part of the goods sold as shall remain undelivered, whether paid for or not.

Goods shall, for the purpose of this Rule only, be considered as delivered, and at the Buyer's risk as regards fire:

(*a.*) When they shall have been transferred in the books of a warehouse keeper under a transfer order directing the warehouse keeper to transfer them into the name of the Buyer.

(*b.*) At 12 o'clock noon of the day next following that on which such a transfer order shall have been handed to the buyer.

A delivery order directing the warehouse keeper to deliver the goods to the Buyer shall not, for the purposes of this Rule, be considered a transfer order.

The mere act of weighing over shall not constitute a delivery, nor shall a delivery of part be considered a delivery of the whole. The Seller may, after the expiration of fourteen clear days from the day of sale, charge the Buyer with cost of fire insurance until delivery be made.

Risk of Condition.

13. Risk of condition of Grain in warehouse shall be upon the Buyer, but so long as the goods shall be under control of the Seller the Buyer may, as often as he may think proper, require the Seller to have the Grain turned at the Buyer's expense; and for all rent, fire insurance, porterage, and other expenses and charges which the Seller shall be entitled to, under this or any of the preceding Rules, he shall be entitled to a lien on the goods.

Rejection and Weighing of Flour.

14. Seven running days from day of sale shall be allowed to Buyers of Flour, during which period they may reject Heated, Sour, and Damaged Flour; on and after the eighth day until delivery, or until the goods are weighed over, whichever event shall first happen, but no longer, externally Damaged Flour only may be rejected.

Each barrel of Flour from Canada and all American ports shall be considered to weigh 1 cwt. 3 qrs. 20 lbs. gross, and allowance shall be made for any deficiency from this weight. Sack Flour shall be weighed gross, and be invoiced accordingly.

Time for Claims.

15. When Buyers of Californian, Oregon, Chilian, Australian, and New Zealand cargoes or parcels of Grain, Flour, or Meal require arbitration, they shall make their claim and nominate their Arbitrators within seven clear days after final discharge of the cargoes or parcels.

When Buyers of East Indian Grain on London Standards have claimed Arbitration, they shall within 21 days after the making up of the relative Standards has been advertised, nominate their Arbitrator, and notify the Sellers that they intend to proceed with the Arbitration, otherwise their claim for Arbitration shall be deemed to have been withdrawn.

Default on Contract.

16. In default of fulfilment of Contract, either party shall, except in cases provided for by Rule 6, have the right of re-sale or re-purchase, as the case may be, either publicly or privately, and the defaulter shall make good the loss, if any, by such re-purchase or re-sale on demand.

Arbitration.

17. All disputes arising out of transactions connected with the Trade shall be referred to two Arbitrators, one to be chosen by each party in difference, the said Arbitrators having power to call in a third, in case they shall deem it necessary. In the event, however, of one of the parties appointing an Arbitrator, and the other refusing, or for three days after notice in writing of the appointment neglecting to do so (such notice to be delivered personally, or left at the usual place of business of such other party), or in case the Arbitrators appointed by the parties shall not within seven days after their appointment agree to an award, or appoint a third Arbitrator, or, after the appointment of such third Arbitrator, in case of the death, refusal to act, or incapacity of any one or more of such three Arbitrators, then, upon application of either of the disputing parties, the question in dispute shall stand referred to two Arbitrators to be nominated by the President for the time being of the Association, or by the Vice-President in case of the absence of the President, his illness, or interest in the matter in dispute; and in case of the absence of the Vice-President, his illness, or interest in the matter in dispute, then the Directors, on the application of either of the disputing parties, shall appoint two Arbitrators; and in case the two Arbitrators appointed, whether by the President, the Vice-President, or the Directors, shall not within seven days after their appointment agree to an award, or choose a third Arbitrator, then the Directors shall appoint a third Arbitrator, and shall, in the case of the death, refusal to act, or incapacity of any such three Arbitrators, from time to time substitute a new Arbitrator or Arbitrators in the place of the Arbitrator or Arbitrators so dying, refusing, or incapacitated.

The Arbitrators appointed shall in all cases be members of the Association, and no person having any interest in the matter in dispute shall be competent to act as an Arbitrator.

The award of any two Arbitrators in writing signed by them (subject only to the right of appeal hereinafter mentioned) shall be conclusive and binding upon all disputing parties, both with respect to the matter in dispute, and all expenses of the reference and award. Every award shall be written on a form to be settled by the Directors and supplied by the Secretary of the Association at a charge (to be fixed by the Directors) not exceeding 10*s.*, which charge shall be paid by such one of the parties to the reference as the Arbitrators may determine, and the sums received by the Secretary for such forms shall be applied in payment of the expenses of the Association.

No Arbitrator shall be entitled to demand a higher fee than 3*l.* 3*s.*, nor shall such fee be less than 1*l.* 1*s.* for every requisite sitting.

In case either party shall be dissatisfied with the award, a right of appeal shall lie to the Directors, provided it be claimed not later than Twelve o'clock on the second day after that on which the objecting party shall have notice of the award (Sundays and Holidays, as defined in Rule III., not to be counted), and provided also the Appellant (if a Member of the Association) do pay to the Association as a fee for the investigation the sums following, viz.:—If the parcel or parcels in respect of which the appeal is brought shall exceed 5,000 centals, the sum of 10*l.*; if the parcel or parcels in respect of which the appeal is brought shall not exceed 5,000 centals, the sum of 5*l.*; or provided also the Appellant (if not a Member of the Association) do pay to the Association as a fee for the investigation the sums following, viz.:—If the parcel or parcels in respect of which the appeal is brought shall exceed 5,000 centals, the sum of 15*l.*; if the parcel or parcels in respect of which the appeal is brought shall not exceed 5,000 centals, the sum of 7*l.* 10*s.* The Directors shall have power to award by whom the fee for investigation shall be borne. An award, signed by the Chairman of the meeting which shall hear such appeal, and countersigned by the Secretary or his substitute, shall be deemed to be the award of the Directors, and shall in all cases be final.

No Director having any interest in the matter in dispute shall vote on the question of the appointment of arbitrators, or in case of an appeal, sit or vote on the hearing of such appeal; nor shall the arbitrators, whose decision is appealed against, vote on the hearing of the appeal.

Neither party shall bring any action against the other of them in respect of any such dispute except for the amount so settled by arbitration, and it is expressly agreed that the award shall be a condition precedent to the right of either party to sue the other in respect of the matter in dispute.

For the purpose of enforcing any award, by attachment or otherwise, this rule and any contract referring thereto, may be made a rule of any Divisions of Her Majesty's High Court of Justice in England or in Ireland, or an order of the Court of Session in Scotland.

(*Amended Clause, adopted 23rd May* 1888.)

The Liverpool Corn Trade Association, Limited, Clearing House Regulations, in force on and after 1st October 1888.

Section A.

General Regulations.

Constitution of Clearing House Committee.

1. The Clearing House Committee, herein-after called "the Committee," shall consist of the President, Vice-President, and seven other Members of the Association, to be elected annually by the Directors. Directors shall be eligible. Casual vacancies shall be filled up by the Directors as they occur. The Committee shall elect their own Chairman, and two Members shall form a quorum.

Duties and Powers.

2. The duties of the Committee shall be to make all necessary arrangements and regulations for periodical settlements, declarations, tenders, clearances, payments, deposits, and interest or discount to be paid or allowed thereupon, &c., in connexion with the future delivery business.

Settlement of Disputes.

3. All disputes arising out of the settling or clearing of Contracts, or out of any matter connected with the business of the Clearing House, shall be settled by the Committee, and their decision, signed by the Chairman or acting Chairman, shall be binding on all parties, subject to the right of appeal to the Directors in manner provided by the printed Rules of the Association.*

When the Committee consider it advisable, a fee shall be charged by them for deciding cases of dispute brought before them.

Special Cases.

4. The Committee shall have power to deal with and regulate all cases not provided for by the existing regulations, and arising out of any clearance or settlement, but any party dissatisfied with the mode in which the Committee have dealt, or propose to deal with any such case, may appeal to the Directors, who shall then deal with and regulate the case.

Imposition of Fines.

5. The Committee shall have power to impose fines for breach of regulations, neglect of attention to notices, or carelessness in the making up of cash statements or other documents, when delay, loss, or inconvenience has, in their opinion, been thereby occasioned. A charge may be also made for each time a messenger is sent to obtain corrections of statements, &c., or for sending out corrections of same.

Secretary.

6. The Secretary of the Association shall be *ex officio* the Secretary of the Clearing House.

Secretary to act for parties to Contracts.

7. The Secretary shall have power to act for, and shall be deemed the agent of each party to a Contract in receiving and passing on declarations, tenders, notices, money, and delivery orders, but this shall not affect the liability of the parties to each other on their Contracts.

Official receipts binding.

8. An official receipt shall be a valid discharge for payments made through the Clearing House, and shall be accepted as such by the parties to the Contract.

Bank.

9. All moneys which are to be retained by the Clearing House shall be paid into a Bank to be nominated by the Directors.

Indemnity.

10. The Committee shall not be responsible for the acts, receipts, neglects, or defaults of any officer of the Clearing House, or of the Association, or of any Banker, or of any person with whom or into whose hands any moneys may, in connexion with the clearance or adjustment, be deposited, or come, nor for any loss whatsoever which may happen to any person in connexion with any clearance or settlement.

Forms.

11. Only the form of Calls, Declarations, Tenders, Notices, &c., sanctioned by the Committee shall be used, and all parties shall carry out the instructions printed thereon.

Office for notices.

12. Any party to a Contract, Declaration, or Tender having no office within a radius of 500 yards of the Corn Exchange, and having no Broker or Agent authorised to represent him whose office is within such radius,† shall name to the Secretary, as soon as possible, an office within such radius for the reception of all notices and statements (Default Notices excepted) relating to such Contract, Declaration, or Tender.

13. Every party to a Contract, Declaration, or Tender shall furnish the Secretary with such information in regard thereto as may be required for the proper conduct of the business of the Clearing House.

Hours of business.

14. The Clearing House, to which all necessary communications can be sent, shall be open on all business days from ten until five o'clock, except on Saturdays, when it shall close at one o'clock, or so soon thereafter as all Tenders shall have ceased to circulate.

Meaning of word Secretary.

15. In all places in these Regulations where the word Secretary occurs, it shall be read as Secretary or Acting Secretary, and all Sellers and Buyers may be represented by their Agents.

Power to vary and add to Regulations.

16. The Committee shall have power from time to time to rescind, alter, or add to the Clearing House Regulations, whether general or relating to Margins, Declarations, or Tenders, or to any of the matters mentioned in Clause 2, but no such rescission, alteration, or addition shall have any force or effect until confirmed by a majority of a meeting of the Directors specially summoned to consider the same.

Section B.

Regulations relating to Margins.

Part I.—General.

Original Margins.

1. Each party to a Contract shall have the right to call an original margin at a rate not exceeding 50*l.* on each 5,000 centals of Wheat, or 25*l.* on each 5,000 centals of Corn, upon the deposit by the Caller of an amount equal to that called, provided such call be made before 11 o'clock on the next business day after sale; and a further margin may be called from time to time to the extent of any difference between the Contract price and the market value.

No original Margin.

2. When no original margin has been deposited, calls for margins may be made from time to time, to the extent of one penny per cental more than the difference between the Contract price and the market value at the time the call is made.

Market value.

3. For the purpose of calling margins, the quotations of the Committee shall be conclusive as to the market value until 4 p.m. on the next business day, or until any earlier meeting of the Committee at which any quotations shall be fixed.

Time allowed.

4. All margins shall be deposited to the credit of the Clearing House with such Bank or Banks as may be determined by the Directors, and the Deposit Receipt shall be registered at the Clearing House during the business day following that on which the call is made. Calls made after 5 p.m., or on Saturday after 1 p.m., shall be deemed to have been made on the following business day.

Failure to Deposit.

5. Should either party to a Contract fail to deposit in accordance with this Section, the other party shall have the right to close the Contract forthwith, either at the market price then current for similar goods, or at a price to be ascertained by re-purchase or re-sale before the expiration of the following business day, and the difference between the Contract price and the closing price shall be the measure of damages payable under the Contract.

Interest.

6. No party shall be entitled to interest on any deposit made under this Section.

Registration.

7. Unless otherwise stipulated, either party to a Contract shall have the right, at any time during its currency, to register it at the Clearing House.

Unregistered Contracts.

Part II.—Applicable only until Registration of the Contract.

Security.

8. Deposits shall be applicable as security for all Contracts made subject to the Regulations of this Section between the same parties, and current while the Deposit remains.

Return of Deposits.

9. Deposits shall be returned by the Clearing House, as instructed by both parties to the Contract.

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* *See* Rule 17.

† *See* Rule 2.

In case of dispute as to the amount due to each, the matter shall be referred to arbitration as provided by the Rules of the Association,* and the Clearing House shall return the deposits in accordance with the award of the Arbitrators or the Directors as the case may be.

If either party shall suspend payment, or become bankrupt or insolvent, or be declared a defaulter by the Committee, the Committee shall have discretionary power to pay to the other party so much of the deposits as in their opinion he is entitled to.

The Association or the Committee shall under no circumstances be liable for any over payment made under this Clause, and the remedy in respect of any such over payment shall be solely against the party to whom such payment has been made.

Notification. 10. The Secretary shall, as soon as conveniently may be after the Deposit Receipt is handed to him, notify the party for whose security the deposit is made.

Fees. 11. Each party to the deposits shall, as the deposits are withdrawn or transferred, pay to the Clearing House such fees as may from time to time be fixed by the Directors.

Registered Contracts.

PART III.—APPLICABLE TO REGISTERED CONTRACTS ONLY.

Method of Calculation. 12. For the purposes of registration and the calculation of Margins:—

(*a.*) Each 5,000 centals of grain, or 2,500 centals of Flour or Meal, shall be considered as a separate contract.

(*b.*) Margins shall be calculated on quantities of 1,120, 2,240, 3,360, and 4,480 centals, at the rate of 18*l.* per 4,480 centals for every penny of difference in the price, and farthings in proportion, and on other quantities at the rate of 2*l.* per 500 centals for every penny of difference in the price, and farthings in proportion. Margins on quantities which are not multiples of 500 centals, other than those named above, shall be calculated on the basis of the multiple of 500 centals next above such quantity.

(*c.*) In the calculation of margins, no deduction from the price, or allowance of any kind, and no fraction of one penny which is not a farthing or a multiple of a farthing, shall be taken into account, but the exact price shall be stated in registering the Contract.

Differences. First Sellers and Last Buyers. 13. The difference between the contract price and the calling price shall, subject to Clause 14, be the amount to be deposited in the Clearing House on account of the Contract.

Differences. Intermediate Parties. 14. Every party who has bought and sold the same goods, being a Member of the Association, or being a firm or incorporated Company entitled to the services of the Association under Clause 2 of Section A of the Byelaws, may instruct the Secretary to arrange the Contracts in a String, and such party shall appear as an intermediate, and the difference between the buying and the selling prices shall be the amount to be paid by such party to the Clearing House, or to be retained by the Clearing House on account of his Contracts, as the case may be, and no further action need be taken at future adjustments in regard to such Contracts unless the String shall be broken by such party in the manner provided for in Clause 20, or his Seller or Buyer should fail to deposit.

Non-Members. Any other party may be registered on a String, either as intermediate or otherwise, on such conditions as the Committee may from time to time prescribe.

Exception to Rule 9. 15. Notwithstanding the provisions of the printed Rules of the Association,† the suspension of payment, bankruptcy, or insolvency of an intermediate party on a String, or his being declared a defaulter by the Committee, shall not enable his Buyer or Seller to close the Contract, provided such intermediate party has paid any difference payable by him on such Contract, but if the Committee are satisfied that the Seller to or Buyer from such party has suffered loss by the Contract not being closed, any difference due to such party shall be applied in or towards satisfaction of such loss, the amount of which shall be fixed, for the purposes of this Clause only, by the Committee.

Release Original Margins. 16. Original margins deposited by intermediate parties shall be released on the deposit of a similar margin by a previous Seller or subsequent Buyer, as the case may be.

Intermediates may call. 17. Intermediate parties, as well as first Sellers and last Buyers, may call for an adjustment.

Fees. 18. Each party to a Contract shall pay, in Clearing House stamps, such fees as may from time to time be fixed by the Directors.

Registered Numbers. 19. The Secretary shall communicate to all parties the registered number of their Contracts, and all Contracts in a String shall have a String number in common. These numbers must be marked on all communications relating to the Contracts, and, when the Declaration or Tender is made, must be marked by the first Seller on his Docket.

Breaking the String. 20. The Committee shall have power to allow an intermediate party to break or alter the course of a String on his making deposits on the basis of the adjustment immediately preceding, or on the basis of the quotations of the Committee for the time being in force, in accordance with Clause 13 or Clause 14, as the case may be.

Tenders in part. 21. In the event of a Tender being made in part fulfilment of a Contract, the Deposits shall be apportioned in an approximate ratio of the fulfilled and the unfulfilled portions of the Contract.

Default. 22. Should any party to a Contract fail to deposit any amount due by him under these Regulations, the Secretary shall report the matter to the Committee, and shall notify such party in writing that he has failed to make such payment, and if the payment be not made within twenty-four hours after such notice (Sundays and holidays as defined in the printed Rules of the Association* not to be counted), the Committee shall have power to declare him a Defaulter, and to post his name as such in the Clearing House and in the Room.

In case of non-payment by a Seller, the Secretary shall notify the following Seller, who shall thereupon be considered the first Seller, and shall make his deposit, if any, accordingly.

In case of non-payment by a Buyer, the Secretary shall notify the preceding Buyer, who shall thereupon be considered the last Buyer, and shall make his deposit, if any, accordingly.

Arbitration between first Seller and last Buyer. 23. Where the terms of Contracts are identical, except as to price, all arbitrations shall be held in accordance with the printed Rules of the Association† as between first Seller and last Buyer, or between any intermediate party calling for adjustment and the first Seller or last Buyer, as the case may be, as though they were contracting parties, and the award made in pursuance thereof, subject to the right of appeal as provided by the printed Rules of the Association,† shall be binding on all intermediate parties. Should the terms of Contract not be identical, such arbitration shall in like manner be held as between the first Seller and last Buyer whose Contracts are identical.

24. Calls, Notices, Deposits, Payments, Releases, and Adjustments made between the first Seller and the last Buyer shall operate as Calls, Notices, Deposits, Payments, and Releases between all intermediate parties.

Deposits. 25. All amounts deposited under Part III. of this Section shall (subject to Clause 13) be retained by the Clearing House as security for the relative Contracts, or, in case of a String, for all the Contracts on that String, until such Contracts have been fulfilled or closed, and the amounts shall then be paid over or credited to the parties entitled to receive the same.

SECTION C.

Regulations relating to Declarations and Tenders.

Declarations and Tenders. 1. No Declaration or Tender shall be for a greater quantity than 5,000 centals of Grain, or 2,500 centals of Flour or Meal. Should any Seller desire to declare or tender at one time more than the above-named quantities he must do so on separate Forms or Dockets. If the separate Tenders remain with separate last Buyers,

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* *See* Rule 17. † *See* Rule 9.

* *See* Rule 8. † *See* Rule 17.

the Tenders in the hands of each last Buyer shall be considered as made under a separate Contract, so far as regards the quantity deliverable per day under the printed Rules of the Association.*

Declarations. 2. Declarations against registered Contracts shall be handed by the first Seller on the String to the Secretary to be registered and signed over to the last Buyer, and shall be delivered to the last Buyer within half an hour after being signed over, and on being so delivered the Declaration shall, subject to withdrawal as hereinafter provided, be binding on all intermediate parties. The Committee shall have power to allow any party to the Declaration to withdraw it at any time before the expiration of the period allowed by the Contract for Declarations, on his breaking the String and making necessary deposits, in accordance with Clause 20 of Section B.

Declarations against unregistered Contracts may be made through the Clearing House by the first Seller registering the Declaration before delivering it to his Buyer. Such Declarations may be passed on to successive Buyers in accordance with the Contract. The last Buyer shall deposit the Declaration Form or Docket at the Clearing House on the expiration of the period allowed by the Contract for Declarations.

Formal Tenders. 3. Formal Tenders, made with the consent of all the parties concerned, may pass through the Clearing House without a Sampling Order attached.

Procedure. 4. The party originating a Tender shall register it at the Clearing House before delivering it to his Buyer. After being registered it shall be passed on in accordance with the provisions of the printed Rules of the Association,† but if the Contract or Declaration against which it is made be registered, the Seller‡ shall hand the Tender to the Secretary, to be signed over to the last Buyer on the String or Declaration, and shall deliver it to such last Buyer within half an hour after it has been signed over, and on being so delivered the Tender shall be binding on all intermediate parties. The Secretary shall, as soon as conveniently may be, notify the intermediate parties that the Tender has been made, specifying all necessary particulars.

Office for Notices. 5. If a Buyer neglect to name an office for the receipt of Declarations, or of Tenders, as required by the printed Rules of the Association† or of notices under Clause 11 of this Section, the Seller, when he makes a Tender, shall be entitled to sign the Docket on behalf of the Buyer. After signing the Docket, the Seller shall deposit it at the Clearing House, and shall be deemed the Agent of the Buyer for the receipt of notices and statements issued by the Clearing House (Default Notices excepted), until the Buyer shall have named an office for the receipt of such notices under Clause 12 of Section A, and notices under Clause 11 of this Section shall be considered as delivered if deposited at the Clearing House.

Divided Tenders. 6. If the receiver of a Tender wishes to divide it into two or more parts,† he must fill up a Sub-Tender Form for each part passed on, and register the Dockets at a Clearing House within fifteen minutes after receiving the Original Tender, and must deliver them to his Buyer or Buyers immediately after registration.

The Original Tender and the Divisions shall in all respects be dealt with as separate and distinct Dockets, except that when the Sub-Tenders are cleared at the same time as the Original Tender it shall not be necessary for the Divider to pay the amounts for which his Buyers are liable, and that in all cases of Divided Tenders it shall be incumbent on the first Seller on the Original Docket to give a separate delivery order for each division or sub-division of his Tender; but the Divider shall procure the necessary certificates of quantities delivered and other customary statements.

Continued Tenders. 7. When the last Buyer on a Docket wishes to re-tender the same goods in whole or in part under a new Docket before the Original Docket is cleared, he shall use the Continued Tender Form, and if the Original Docket and the Continuation Docket be cleared at the same time it shall not be necessary for him to pay the amount for which his Buyer is liable; but he shall procure the necessary certificates of quantities delivered and other customary statements. In other respects the Continuation Docket shall be treated as an Original Docket.

8. On the last day of each month the only place for the delivery of Tenders against Delivery, or Shipment and Delivery Contracts shall be the Clearing House, and it shall be obligatory on all parties interested in such Contracts to be there represented from 11 a.m. until all their Contracts have been fulfilled, or until all Tenders have ceased to circulate. Original Tenders, having been previously registered, must be delivered to the first Buyer, or to the Secretary,* as the case may be, at or before 11 a.m., and no Tender shall be retained by any Buyer for more than five minutes. At the end of the Clearing, if any intermediate Buyers shall satisfy the Secretary that they have failed to fulfil their Contracts owing to the default of their Sellers, on application being made not later than fifteen minutes after all Tenders have ceased to circulate, the applicants shall be supplied with special forms of Tender, which they shall pass on to their Buyers, by delivery at the office of the Buyers or their Brokers, or by delivery to the Secretary, as the case may be, not later than half an hour after the circulation of all duly originated Tenders has ceased, and such Special Tenders may then be passed on to successive Buyers, by delivery at the office of the Buyers or their Brokers, or by delivery to the Secretary, as the case may be, until 3 o'clock, or such later time as the Secretary may, in case of need, fix, no Buyer being allowed to retain the same for more than fifteen minutes. In case of a Ring, Formal Tenders shall pass. Procedure on last day of Contracts.

This clause applies also to the last day of the currency of any Delivery Contract.

9. All parties to a Tender shall pay, in Clearing House stamps, such fees as may from time to time be fixed by the Directors. Registration Fees.

10. If the goods tendered be rejected, the first Seller shall pay to the Clearing House the equivalent of one Tender Fee for each Party to the Tender, not exceeding in all the equivalent of five Fees, and all Parties who have paid their Tender Fees by Clearing House Stamps affixed to the Docket shall have the Fees returned to them provided they apply for the same during the hours fixed by the Committee, and within one week after receipt of notice of rejection, and all Parties whose Tender Fees are included in a Registration or Declaration Fee shall be entitled to pass a re-Tender without Fee. Return of Fees.

11. All notices of rejection of goods tendered, and all notices by the last Buyer claiming arbitration on goods tendered, shall be handed, before 11 a.m. on the business day next following the day of tender, to the Secretary for the purpose of being signed over by him. The first Seller shall be deemed to have accepted the rejection unless he shall, before 3 p.m. on the business day next following the day of tender (or, if such business day be a Saturday, then before 1 p.m.), have handed to the Secretary, for the purpose of being signed over by him, a notice claiming arbitration and naming his Arbitrator; and should the last Buyer fail to hand to the Secretary, for the purpose of being signed over by him, a notice naming his Arbitrator before 11 a.m. on the second business day following the day of tender, the matter shall stand referred, upon application by either party, to Arbitrators to be forthwith appointed in the manner provided by the printed Rules of the Association† in case of failure by a party to appoint an Arbitrator. Rejections and Arbitrations.

All notices given under this clause must, within half an hour after being signed over by the Secretary, be delivered to the proper party, and on so being delivered shall be binding on all intermediate parties.

12. Where the terms of Contracts are identical, except as to price, all arbitrations shall be held in accordance with the printed Rules of the Association† as between first Seller and last Buyer, as though they were contracting parties, and the award made in pursuance thereof, subject to the right of appeal as provided by the printed Rules of the Association,† shall be binding on all intermediate parties. Should the terms of Contract not be identical, such arbitration shall, in like manner, be held as between the first Seller and last Buyer whose Contracts are identical. Arbitration between first Seller and last Buyer.

13. All payments by the first Seller to the last Buyer, or out of moneys retained by the Secretary under Clause 23, made in respect of allowances under any award in pursuance of Clause 12, shall operate as payments and settlements between all intermediate parties.

* *See* Rule 10.
† *See* Rule 2.
‡ This applies to every first Seller on a String, or registered Declaration, whether he be first Seller on the Tender or not.

* *See* Clause 4 hereof. † *See* Rule 17.

Tenders rejected after expiration of time.

14. Where the terms of Contracts are identical, except as to price, and a Tender has been made in due time, but such Tender has been decided by arbitration to be not in accordance with the Contract, and the period specified in the Contract for Tenders has expired, the goods shall be invoiced back by the last Buyer to the first Seller at the price of the last business day of the said period, together with such penalty (if any), not exceeding 5 per cent. on such price, as may be decided by arbitration, and all intermediate parties shall settle their differences as if a valid Tender had been made.

First Clearing.

15. The Secretary shall fix a time for the first clearing immediately on receiving notice from the last Buyer that he is prepared to make payment and take up his delivery order. Two hours' notice of such clearing shall be given to all parties interested, but the date shall not be later than that provided by the printed Rules of the Association.*

16. The first Seller shall in all cases hand to the Secretary a delivery order for the goods at or before the first clearing.

At the time fixed, the last Buyer shall present his deposit receipt for the amount of his invoice, and all intermediate parties who have differences to pay shall pay the same, or present their deposit receipts for the amounts payable, any deposits made under Section B being allowed for. The Secretary shall then hand the first Seller's delivery order to the last Buyer, who shall give in exchange his delivery order to be retained in the Clearing House.

17. When goods are tendered with the word "about" preceding quantity, payments shall be based provisionally on the quantity named.

Default (see Association Rule IX.)

18. Should any party to a Contract, being an intermediate party, fail to pay his difference, or being last Buyer fail to pay his invoice amount, the Secretary shall report the matter to the Committee, and shall also notify such party, in writing, that he has failed to make such payment; and if the payment be not made within twenty-four hours after such notice (Sundays and Holidays, as defined in the printed Rules of the Association† not to be counted), the Committee shall have power to declare him a defaulter, and to post his name as such in the Clearing House and in the Room.

In case of non-payment by an intermediate party the Secretary shall notify the Seller to and the Buyer from the intermediate party, and the Seller and Buyer shall each deposit the whole difference unpaid at the time specified in the notice. Such deposits shall be adjusted by the Committee in the proportion due from the Seller and the Buyer respectively.

In case of non-payment by a last Buyer the Secretary shall notify the preceding Buyer, who shall pay his own invoice amount at the time specified in the notice.

Payments to First Seller.

19. The amount due to the first Seller shall be retained by the Clearing House until delivery of the goods, but he shall, subject to the provisions of Clause 23, be entitled to receive payment on account as delivery proceeds, such payment being calculated on the quantity delivered during the preceding day, as certified by himself and the last Buyer.

Intermediates' Clearing.

The amount due to intermediate parties shall, unless good reason to the contrary be shown, be paid to them not later than six business days after the first clearing, and if the statement of actual weight delivered be not then in the hands of the Secretary, settlement for any difference between the quantity named on the Tender and the quantity finally delivered shall be made between first Seller and last Buyer on the basis of the market value of the goods on the third business day after the Tender, and each Tender so settled shall be considered as made under a separate Contract.

Interest on Deposits.

20. The first Seller shall not be entitled to interest on cash deposited until the expiration of three business days from date of such deposit, but after that time the last Buyer shall pay interest to the first Seller at the rate of 5 per cent. per annum until the money is paid over, unless, in the option of the Committee, the Seller has been in default.

21. Intermediate parties shall not be entitled to interest on differences due to them, unless final settlement be delayed beyond the tenth business day after the day of Tender. If the final settlement be so delayed the first Seller and last Buyer shall be jointly and severally liable to intermediate parties for interest, to be reckoned as per Clause 20, on the differences which such intermediate parties are entitled to receive, together with such other damages as the intermediate parties may prove to the satisfaction of the Committee. The amount of such interest and damages shall be deposited in full by both first Seller and last Buyer, together with such fee as the Committee may charge for the investigation, and the deposits shall be adjusted in the proportion due from first Seller and last Buyer respectively, by the Committee.

Final Clearing.

22. A statement showing actual weight delivered, and signed on behalf of last Buyer and first Seller, shall be handed to the Clearing House within three days of completion of delivery, when a final clearing shall be called by the Secretary.

Delay of Arbitration

23. When the last Buyer has claimed arbitration, but such arbitration cannot immediately take place owing to the proper standards not being made up, or other sufficient cause, the last Buyer shall direct the Secretary to retain out of the amount due to the first Seller a reasonable sum (to be fixed, in case of need, by the Committee) to be held as security for any allowance which may be awarded, but all intermediate parties shall receive payment of their differences in full.

Provisional Settlement.

24. When the goods tendered are awarded to be invoiced back to the first Seller, but the price at which they are to be so invoiced stands over, a provisional settlement shall be made, in accordance with the printed Rules of the Association,* at a price to be agreed upon, or, in case of need, to be fixed by the Committee, and the first Seller and the last Buyer shall each, on the application of any party to the Tender, deposit a reasonable sum (to be fixed, in case of need, by the Committee) to be held as security for any difference between the provisional settling price and the price at which the goods are invoiced back; but all intermediate parties shall receive payment of their differences in full.

THE LIVERPOOL CORN TRADE ASSOCIATION, LIMITED.

Resolution adopted 21st March 1888, as amended 4th July 1888:—

"That the words 'Liverpool Standard' as applied to Bombay wheat shall mean,—

"(*a*) In the case of Choice White Bombay, not less than 93 per cent. of soft white club wheat, not more than 5 per cent. of soft red and hard wheat, and not more than 2 per cent. of dirt, seeds, and grain other than wheat;

"and—

"(*b*) In the case of No. 1 White Bombay, not less than 85 per cent. of soft white club wheat, not more than 13 per cent. of soft red and hard wheat, and not more than 2 per cent. of dirt, seeds, and grain other than wheat."

* See Rule 8. † See Rule 3.

* See Rule 8.

APPENDIX B.

MEMORANDUM by Mr. CHARLES WHITEHEAD, Agricultural Adviser to the Privy Council, as to the INTRODUCTION of INSECTS injurious to CORN and CORN CROPS in WHEAT imported from INDIA.

It is well known that the wheat that is imported from foreign countries is frequently brought to Great Britain in a very dirty state, and containing other seeds, dirt, and much heterogeneous rubbish.

In some cargoes arriving from Australia, Russia, and India, the condition of the wheat in these respects has been particularly bad.

The presence of other seeds, dirt, bits of chaff, straw, and rubbish is in many cases due to carelessness in screening the wheat, or from the want of any screening at all, when it is taken direct to the ports from the "godowns" or granaries, or from the village pits where the wheat is shot and covered over with earth.

There appears to be no Government inspection of wheat in India. In the United States officers are appointed in every State to inspect and "grade" wheat, according to its quality and cleanness.

But, besides that which may be termed a more or less natural dirty state from insufficient screening, or from no screening at all, there is a practice prevalent in India of deliberately mixing dirt, rubbish, damaged seeds, as linseed and rice, with clean wheat, to add to its bulk.

This causes much loss to wheat importers and merchants, and millers, necessitating the employment by these last of costly machinery.

Not only this, but the foreign matter mixed with wheat imported from India into this country serves as a medium for the wholesale transportation of insects injurious to crops.

From the cleanings of Indian wheat several categories are formed at the flour mills.

One consists of short pieces of straw of from 1 inch to 2½ inches long, with pieces of wheat ears. This is sold for litter, and is distributed among various farms in the neighbourhood of the mills. In this straw the most dangerous corn insects might be introduced, insects of the type of the Hessian fly, which was without doubt brought into this country in this way; and of the type of the *Isosoma hordei*, the "joint worm," whose appearance in Great Britain is feared by agricultural entomologists.

Another comprises light and misshapen grains of corn with weed seeds, known in this country as "screenings," and which ought to have been taken out of the bulk by the Indian producers. This is purchased for pigs and for chickens' food, being therefore scattered over the face of the land.

In this corn, weevils especially, and other insects may easily be conveyed. It is well known that weevils are most destructive to wheat and other grain in India. It is also equally well known that they are brought over to British ports and granaries in abundant quantities with Indian wheat.

One species of weevil, the *Calandra oryzæ*, the rice weevil, does enormous harm to wheat in Indian granaries, and to wheat while it is being transported in vessels to this country.

The admixture of dirt, seeds, and rubbish causes the wheat to heat, which of course is detrimental to its quality, and at the same time causes the weevils to propagate unusually and to materially damage it. Sometimes the cargoes of wheat that have heated are nearly alive with weevils, entailing enormous waste and heavy losses upon importers.

This loss continues when the bulk is taken to granaries or warehouses, while the heat is still evolved, and the weevils revel in it.

According to estimates furnished by Messrs. Ralli, the well known Indian wheat shippers, the amount of loss occasioned by weevils is put at an average of 2½ per cent. Taking the value of wheat exported at 6,000,000*l.*, the amount of loss due to this insect in exported wheat alone equals 150,000*l.*

Another weevil, the *Calandra granaria*, closely allied to *Calandra oryzæ*, is also brought over with Indian wheat. This weevil is known in British and other European granaries, but it is presumed that the heat and surrounding circumstances of cargoes of Indian wheat favour its development and stimulate its powers of destruction. As it breeds freely in this country the danger of its distribution is very great.

Besides the actual money loss occasioned by these weevils, it is stated that the flour made from wheat much infested by them is injurious to health. Mr. E. C. Cotes,* the First Assistant to the Superintendent of the Indian Museum at Calcutta, asserts this, maintaining that "the weevils contain certain vesicant "properties which are known to be powerful irritants "to certain organs of the body, even in extremely "minute doses." And in the "American Entomologist" it is recorded that *Calandra granaria* has been successfully used as a substitute for cantharis in blisters.

With regard to the dirt in Indian wheat, which is described as small, hard lumps of dirt and clay, it is sometimes absolutely necessary to wash and soak the bulk of wheat to soften the lumps. Little flies are often noticed coming from the wheat thus treated. These flies may or may not belong to injurious species, but it is clear that flies are introduced in this manner, and insects of this description are among the most formidable enemies of many kinds of crops.

Most serious danger may arise to the crops of this country, and must be apprehended, from the insects that can so easily be brought into it with imported grain from India as well as from other countries.

The ravages of insects upon crops of all sorts in all climes increase year by year. New insects are continually observed by the perplexed cultivators in every part of the globe. The facilities of international intercommunication have widely disseminated species of insects. In this country economic entomologists are always expecting some fresh arrival, some new insect scare, and they join always most heartily in any practical representation that may be made to the Government to take steps to prevent the introduction of new pests. Realizing completely the danger to be feared from the present system of importing wheat, especially from India, they must hold that it is essentially important that the "dirt, rubbish, seeds, and "short straw," perfect vehicles for destructive insects, should be left in India.

* *See* "Notes on Economic Entomology," No. 1. A preliminary account of the Wheat and Rice Weevil in India, by E. C. Cotes, Calcutta, 1888.

APPENDIX C.

IMPURITIES IN INDIAN WHEATS.

Sheffield,
SIR, 2nd May 1889.

IN submitting the result of personal experience and observation in India with regard to the dirty condition in which Indian wheats are exported, to be intelligible, it is necessary to begin at the beginning, and to traverse the whole subject, though no doubt much that follows is merely a repetition of facts already in your possession.

There are two kinds of impurities found among Indian wheat, viz.:—

1. Different varieties of grain, and smaller seeds, such as barley, gram, rape, linseed, &c.
2. Dust, small pellets of earth or clay, and small stones.

The "ryot" or cultivator is entirely responsible for the presence of the first of these, and generally, to some extent, for at least a portion of the second.

In order to ensure a crop of some description, he deliberately sows a mixture of wheat, gram, and

perhaps several other kinds of seeds, in the hope and belief that if the season should turn out unfavourable to wheat growing, it may be favourable to some one or other of the mixture of seeds sown.

The mixed seeds grow up, ripen, and are gathered in and threshed together. As the "ryot" has no mechanical appliances for winnowing and cleaning, the primitive method of letting the grain and chaff fall from a sieve in the wind fails to separate and remove the gram and other foreign seeds from the wheat.

A portion of the earth and small stones present is due to the mode of threshing in use in India from time immemorial.

A flat space is chosen for a "threshing floor" in the vicinity of the gathered and stacked grain, this selected area is plastered over with mud, which is trodden, beaten, and dried by the sun, to a tolerably hard even surface.

A stake is driven into the ground in the centre of the prepared floor. Round the stake on a circular area, varying in diameter with the number of bullocks employed, the wheat as taken from the fields is spread to a depth of about two feet; three, four, or more bullocks connected to each other are driven abreast in a circle over the wheat so spread, the inner bullock being usually attached by a rope to a ring or noose, which revolves on the stake.

In this way the grain is released from the ear, without being damaged, and the straw is crushed, or bruised and broken, into what is called "bhusa" or into what the "ryot" believes to be the only condition in which it is fit to be given to his bullocks to eat.

The prepared floor gets broken up, more or less, during the threshing process, and in taking up the grain, dust, small pellets of earth or clay, and small stones get taken up along with it. Winnowing in the wind, however carefully done, though it may remove the dust, cannot entirely eliminate the small stones and small pellets of earth or clay thus taken up.

A further source of admixture of dirt is found in the storing of wheat in pits, resorted to in India. When prices are low the "zemindars" who can afford to wait for a probable "rise" in the market may decide to store their wheat for a time. This is done in the following way:—

A hole eight or ten feet deep, and about five or six feet in diameter, is dug in a carefully selected suitable place, this is lined with chaff or "bhusa," and the wheat put into it, and covered up, first with chaff or "bhusa" and then with earth; the manner of storing is in fact almost precisely similar to the way in which potatoes are stored in this country, only the pits are deeper.

It is, of course, impossible to remove the grain from a pit of this description without some earthy impurities being added to it, and it is chiefly while stored in the manner described that Indian wheats get damaged by insects and become "weevilled."

The smaller cultivators are, however, much too poor to wait for a rise in prices, indeed in many cases their wheat crop is mortgaged to the local "bunniah" before it is gathered in from the field.

So far the introduction of a variable proportion of the foreign matter found among Indian wheat is a natural and innocent consequence of the "ryot's" endeavour to ensure a return for his labour, together with possible carelessness as to the condition of his land, and the result of his primitive threshing, winnowing, and storing arrangements.

Any further addition of dirt, whether such addition be made by the "ryot" or by the "bepari" or middleman, is due to the premium placed on dirty wheat by the system or basis of purchase which buyers for the European market have adopted.

It is assumed by the export houses in India that all Indian wheats contain a minimum of 5 per cent. of foreign matter, or, as it is called, "refracts" 5 per cent. *However paradoxical it may appear, it cannot be disputed that, in consequence of this fixed minimum "refraction," the "ryot" is a loser if he sells clean wheat, and must also lose by selling dirty wheat.*

The exporting buyers and the "bepari" or middleman, by means of this 5 per cent. "refraction," play a "heads I win, tails you lose," kind of game with the Native cultivators.

In effect, they are mulcted in a penalty increasing up to 5 per cent. the nearer their wheat approaches to a clean condition.

That is, other things being equal, the cultivator who sells wheat with a less percentage of dirt mixed with it than the fixed minimum loses the difference between 5 per cent. and the actual percentage of dirt present, or, in other words, if there is only 1½ per cent. of dirt in the parcel of wheat which he sells, he loses 3½ per cent.

Practically, the custom of buying subject to a fixed minimum "refraction" has established a standard of impurity, which there is neither fraud nor rascality in adulterating to, as, should an analysis of samples show the "refraction" to exceed 5 per cent., a deduction is made *pro ratâ* from the amount to be paid to the seller.

It would be placing the "ryot" much lower in the scale of intelligence than he actually is, to suppose him incapable of comprehending that it is he who pays the cost of carrying 5 per cent. of foreign matter mixed with his wheat by rail and steamer from India, and up to the point of delivery into the hands of the miller, and also for the separation and removal of such foreign matter by washing and screening. But while it continues customary to buy on a fixed percentage of "refraction," it is clearly to his interest to supply 5 per cent. of dirt.

As excess "refraction" is deducted from whatever price may have been agreed on between buyer and seller in India, there does not appear to be any good reason for having a fixed standard of impurity.

If the deduction for impurity was made variable with the percentage found, the direct inducement to adulterate would be done away with.

A great reduction on the quantity of foreign matter now found in Indian wheats could undoubtedly be made by the "ryots" sowing clean seed wheat and exercising greater care in threshing and winnowing it, but so long as the present modes of threshing and storing continue, absolutely clean wheat cannot be produced.

Supposing it possible to remove all particles of dust and dirt, there would still remain the question of its being necessary to wash Indian wheats, because of possible defilement from the urine and droppings of the cattle employed in threshing, or, more correctly, treading it out.

The mixing of white and red varieties of wheat together is not an unimportant matter as regards the value and general suitability of Indian wheats for both stone and roller mills. But whether admixture is solely due to the sowing of mixed seed wheat, or to this coupled with carelessness on the part of the "bepari" or middleman, its tendency is to lessen values, and as there is no compensating advantage, such as payment for dirt affords, it may be regarded as a minor evil calculated to work its own cure.

The continuance of an objectionable tax on the Indian wheat export trade is necessarily a hindrance to the further development of India's vast resources as a wheat producing country, as yet only to a small extent utilized.

The tax is discreditable to both parties most directly concerned, that is, to shippers and cultivators, but in a greater degree to the former than to the latter, since they are clearly chargeable with having introduced and fostered it for their own possible advantage.

It has been shown that it is impossible for the "ryot" to benefit by it. That being so, it cannot be fair dealing, or the loss would not thus inevitably be all on one side.

If the "shipper" incurred a risk of loss from shipping dirty wheat, it is reasonable to suppose that his influence would be exerted to remove such risk.

The writer's experience, when engaged in an endeavour to introduce steam threshing machinery into the Bombay Presidency and Central India in the early part of 1885, showed that "shipping houses" could not be induced to take any active part, or make any effort whatever, to promote the export of clean wheat from India.

Collectively, and as an abstract thing, merchants expressed warm approval of the principle of exporting clean wheat.

The Bombay Chamber of Commerce passed resolutions eulogizing and approving samples of clean wheat threshed by the steam threshing machine, and submitted to them by the Director of Agriculture (Mr. Ozanne), and condemned the shipping of dirty wheat to Europe. But, when it came to taking a step out of the customary groove, when one of the largest "exporting houses" was asked to buy a parcel of absolutely clean wheat, threshed by the steam threshing

machine in the Nasik district, the reply was a courteous refusal to purchase, on what was probably the most convenient and plausible pretext at hand, that "they "never bought grain except where they had an agent "established."

One member of an important "shipping house," in conversation with the writer, said frankly, "Why "should we trouble ourselves on this matter? We "do not come here to do business for the benefit of "the 'ryot,' but for our own benefit, and, if we can "do business to our own satisfaction and profit as "things are, it is no concern of ours that the 'ryot' "does not secure a fair price for his grain."

The custom of "selling forward," that is, selling a shipment of wheat in England before it is bought in India, and the method of adjusting prices on averages of samples adopted in this country, are both difficulties in the way of the exportation of clean wheat from India, but they could probably be more easily surmounted than the self-interest, apathy, and indifference of Indian wheat exporting firms.

The reforms necessary before any reduction can be effected in the quantity of dirt shipped with Indian wheats are,—

1. Reform of trade customs.
2. The "ryot" must sow clean wheat in clean land.
3. The "ryot" must adopt some method of threshing and cleaning his wheat which will not necessitate its being brought into contact with the earth.
4. An improvement must be made in the mode of, or in the arrangements for storing.

A reform of trade customs should be the first step to be taken, and this should begin by the repeal of the fixed minimum "refraction."

Wheat is purchased in India by measure, and sold in England by weight, and as earth and stones are, bulk for bulk, much heavier than wheat, the shipper obtains a slight advantage here also from "dirt."

In this connexion it may be mentioned that the adoption of one standard of weights and measures throughout India would simplify and facilitate business. At present there are three or more.

There can be no doubt that, given an inducement to supply clean wheat by the offer of a higher price, that is, by the purchase of wheat on its merits—the only fair basis of purchase—clean wheat would be forthcoming.

Though the "ryot" may truthfully be described as foolishly conservative in many things, adhering to the manners and customs of his forefathers, with a pertinacity and determination which might often be more usefully directed, he will adopt an improvement readily enough when he sees clearly that it is to his interest to do so.

One of the principal reasons for his continuing to tread out the wheat on a threshing floor by means of bullocks is that, as already stated, he believes there is no other way in which the straw can be made into "bhusa" or fodder. He might, however, be shown that the straw could, if necessary, be trod into "bhusa," after the removal of the grain, by some such means as are now in use for threshing rice.

Winnowing and cleaning machinery would, undoubtedly, enable the "ryot" to produce a better sample of grain, but such machinery is not indispensable to the obtaining of clean wheat from India. Provided that clean seed wheat is sown in clean land, and that the resulting product is not afterwards brought into contact with the earth during threshing or cleaning, or stored in pits of the description at present in use, it is quite possible for the "ryot" to produce clean wheat with but a small and comparatively inexpensive addition to his present primitive appliances.

If the wheat was kept from contact with the earth by a sheet or sheets, made from the material used for "gunny bags," during the threshing and cleaning processes, one of the foregoing conditions would be complied with at a very small cost to the "ryot."

The general introduction and use of steam threshing machinery in the wheat growing districts of India is put forward as a solution of that part of the problem in hand connected with threshing and cleaning.

While there is much to be said in favour of the employment of steam threshing machinery in India, its introduction must necessarily be gradual, and to wait for its effect would be to postpone the desired improvement to an indefinite period.

The opinions and prejudices of the "ryot" are probably the least obstructive of the many difficulties in the way of a general introduction of steam threshing machinery into India.

Objections raised by the "ryots" to the working and to the result of the working of a steam threshing machine in 1885 were such as could be readily overcome.

The fact that the threshing machine did not bruise the straw and make it all into "bhusa" or fodder was the main objection raised against it. A good deal of importance was attached to this alleged shortcoming, and it was urged that the cattle could not eat the straw and chaff as produced by the threshing machine.

Believing the "bhusa" or fodder obtained in the ordinary way to be more or less tainted and defiled by preparation, the writer determined to submit the question to the bullocks themselves, as being the best judges of the qualities of "bhusa." Some broken straw and chaff produced by the threshing machine was therefore laid side by side with about an equal quantity of "bhusa" trodden and bruised by bullocks in the usual manner. Several bullocks were driven near the heaps and allowed to choose for themselves. In every instance, without exception, the bullocks, after sniffing at both the "bhusa" and the straw and chaff produced by the threshing machine, showed their preference for clean food by feeding greedily on the latter, and rejecting the native "bhusa." The "ryots" who witnessed this appeal to the discrimination of the bullocks were manifestly surprised and disappointed that their opinions were thus contradicted, and had but few remarks to make on this point thereafter.

It must, however, be acknowledged that, in consequence of the hard brittle nature of the most of the wheat straw grown in India, crushing and bruising renders it more suitable for fodder,—less liable to cause injury to the animal's mouth and throat.

Wheat straw is not always used as fodder in all the wheat growing districts of India, but it is resorted to when other more desirable fodder is wanting.

When necessary, the attachment of a straw crushing and bruising apparatus to the threshing machine removes all possible objection as to the unsuitability of the straw produced by it for fodder.

The only other sensible objection against the working of the steam threshing machine was that a small proportion of the grain was chipped.

Owing to the extremely dry, hard, brittle nature of the wheat straw, already alluded to, and the dry hard condition of the wheat, this defect will be found very difficult to entirely eliminate.

Superstitious ideas respecting the introduction of any, to the Natives, new-fangled inventions would be outweighed by a clear proof of pecuniary advantage to be reaped from their use, and the same may be said with regard to the objection that the "ryot" would have no employment for himself, his family, and his bullocks during the period of the year now occupied in threshing and cleaning his wheat.

Supposing the "ryot's" personal objections to be entirely met and overcome, however, the only way in which the vast majority of Native cultivators could obtain the use of a set of steam threshing machinery is by hiring, or by some form of combination to purchase, which has yet to be taught them, as the first cost is far beyond the resources of the individual "ryot."

Roads which would permit a set of steam threshing machinery to be drawn by bullocks across the country, have in many parts yet to be made, and any attempt to take a steam threshing plant, of the smallest size and capacity at present made, down a grade of moderate inclination would probably be attended with disaster, if bullocks were employed.

Facilities for loading or unloading heavy unwieldy articles, such as portable steam engines and steam threshing machines, are conspicuously absent from Indian railway stations.

There would undoubtedly be great difficulty and delay attending the execution of repairs to, or renewals of, parts accidentally damaged or destroyed, and the, to the Natives, somewhat complicated mechanism of a threshing machine, makes European management and supervision indispensably necessary for successful working.

These, in the opinion of the writer, are much more serious obstacles in the way of a general adoption of steam threshing machinery in India than the personal objections of the "ryot."

The question whether they are too difficult for British enterprise to surmount may be left with those who consider it to their interest to test the matter.

With regard to the storage of Indian wheat, it is probable that those who can afford to hold their wheat for a "rise" in prices could also afford the comparatively small expense of making their storage pits clean and vermin proof, by lining them with concrete, bricks, or stone.

Wheat is sometimes damaged in course of transit by exposure to wet, in consequence of no provision having been made at railway stations for temporary storage. This is a matter for the Railway Companies to remedy. If sufficient facilities are given for the examination of consignments at the railway termini, and the Railway Companies mulcted in penalties for failure to deliver in good condition as received, the needful covered, and in every way efficient, accommodation will soon be provided.

Turning to the attitude now assumed by the Indian wheat exporting houses respecting the exportation of clean wheat, they practically say,—"We have tied our "own hands and those of the 'ryots' in this matter, "and we cannot untie them without extraneous aid, "or the assistance of the Government." But, while the influence, and, if necessary, the power of the Government of India may be wisely and usefully exerted at a later stage, it does not appear that Government interference is required for the initiatory proceedings of the desired reform, unless it should be needful to compel the abolition of the premium on impurity.

If a consideration of the question in all its bearings by the Indian Council, and by representatives of the various Corn Trade Associations, should result in prompt, decisive, and efficient reforms in the mode of appraising values, and the form of purchase of Indian wheat in this country, export houses in India could no longer make the excuse they now appear to rely on as a sufficient reason for continuing the 5 per cent. minimum refraction, viz., "that it is necessary owing "to the action of merchants in this country."

A trade custom which gives a manifest advantage to the most influential party may, however, be expected to die hard, and it is very questionable whether a free, spontaneous, and immediate reform in the required direction by shippers of Indian wheats may be anticipated, as a result of the expression of desires and opinions of millers and others in this country, however unanimous they may be.

In the event of it being found impossible to induce export houses to forego the advantage which a 5 per cent. minimum "refraction" gives them, the formation of a Syndicate to purchase and export clean wheat from India is the only way in which the question can be practically dealt with.

Such a Syndicate, if supported loyally by the millers in this country, and backed up by the influence and assistance of the Indian Government, to the extent of giving the "ryot" facilities for obtaining clean seed, and kindly counsel through their officials, could not fail in effecting the desired improvement.

As the adulteration of wheat cannot be held to be fraudulent, being practically legalized by the trade custom, it is difficult to see how any legislative enactment could be framed of a positive or prohibitory character to deal with it.

It might be found possible, however, to support a Syndicate for the purchase and exportation of clean wheat by passing an Act of a negative character, which would make trading in dirty wheat illegal, and, therefore, contracts made in respect of such wheat not binding nor recognized in a court of law.

In any case, no pressure should be put on the "ryot" to produce clean wheat until he can get a fair price for it. Then, in all probability, the necessity for coercion in any form will have passed away.

I am, Sir,

Your obedient Servant,

W. GALLON,

Assoc. M. Inst. C.E.

Sir George Birdwood.

APPENDIX D.

INDIAN WHEAT AND ITS IMPURITIES.

To the Editor, "Beerbohm's Evening Corn Trade List."

SIR, 10th May 1889.

I CANNOT think the National Association of British and Irish Millers will submit to have the conditions under which wheat is to be shipped from India (except to the port of Liverpool) dictated to them by the London Corn Trade Association. The Hon. J. Forbes Adam says, "The fault lies not at the door of "Bombay exporters, but with millers, buyers, and "Corn Trade Associations in England," and he adds, that "the Bombay Chamber of Commerce resolved to "request the London and Liverpool Corn Trade Asso-"ciations to fix the refraction on all wheat sale "contracts at not over 2 per cent." Liverpool agreed —London declined; and the latter followed this up with a report at the India Office meeting, which I felt bound to denounce as a most uncompromising document, and which is really the most obstructive and no surrender manifesto which, I should say, was ever issued from a public commercial body called upon to assist in the improvement of a great national commercial interest. I did not think before that an association could be found in England whose patriotism was so entirely confined to their pockets. I mentioned at the meeting that some of the largest firms in Ireland and England used very little Indian wheat, and several millers noted that a vast number of small millers *cannot* use it. The Government reports from millers prove this incontestably, but, notwithstanding this, I have failed to find one single sentence in the London Association's circular which admits willingness to co-operate in assisting the millers. It is suggested in the Government report that Indian wheat was probably sent to Mediterranean ports in better condition than to England, but I doubt this. In Marseilles I know that, the climate being dry and hot, washing is one of the ordinary operations of the wheat cleaning system on all wheats, and therefore all mills have the necessary washing and cleaning plants; but the manufacture of pure semolina is a large trade there, and some sorts of Indian wheat are found very suitable, but in the very best samples of semolina I found traces of dirt and stone. This illustrates a fact well known to millers, that, after the "break flour," the next to be damaged is the highest qualities. Though I went to Lord Cross's meeting as a member of the London Chamber of Commerce, I had not intended to speak, but whilst sitting as a listener, a gentleman whom I do not know came and asked me to reply *for* the London contingent, as the other side had had it nearly all their own way. I did my best (though badly) to reply *to* them, and I wish I could have more forcibly assisted the northern corn traders and the millers. My knowledge of the milling trade enables me to say, without any chance of being contradicted, that almost unanimously the millers object to the dirt in Indian wheat, and the same, I believe, applies to the milling engineers. I believe they would thoroughly approve contracts being based on only 2 per cent. refraction. It is stated in the Government report that what Messrs. Ralli call the 5 per cent. *stuff* (how clearly they know the name to give it) is partly made up of dirt and stones *purchased by the Native traders, and mixed into the wheat* sold as "fair average quality."

The practice probably was suggested from the fact that the threshing floors are made of dried mud, in which there are also stones. As it will take years to generally introduce the threshing machine, I suggest that an effort should be made to introduce cement threshing floors.

Yours truly,

J. HARRISON CARTER.

APPENDIX E.

Victoria Corn Mills, Sheffield,
1st June 1889.

DEAR SIR,

YOUR report on the impurities of Indian wheat fully confirms the desire of English millers to purchase it cleaned.

But it will be in vain to ask either grower or dealer to furnish it clean unless it is to his advantage to do so.

English millers' objections to buy Indian wheat on terms of "f. a. q.," with dirt clause of 5 per cent. and average sample prepared in London, are manifold:—

1. That the grower does not deliver the wheat in marketable condition.
2. That on its passage to England the wheat is being consumed and deteriorated by that abominable pest the weevil.
3. That "average sample" which is to test the quality of delivery is a monthly preparation by the London Corn Trade Association over which the miller has no say.
4. That the "average sample" varies considerably, and affords no criterion to the millers what to expect in succeeding months. Buying this is very much like "pricking in the belt."
5. It is impossible to estimate the loss the English miller suffers by having to extract the weevil from the wheat in his mill, and so get the nuisance on his premises, instead of being extracted by the grower. In some cases this extends to 5*s.* per quarter, and on tedious voyages in the hot season the wheat is rendered unfit for making flour.
6. That in cases of arbitration the members of the London Corn Trade Association are the sole arbitrators. Without in any way doubting the integrity of those gentlemen, it is easy to see the miller is placed at a disadvantage; that reciprocity is all on one side.

   A miller, who best understands the interest of millers, should form part of the arbitration to protect the buyer's interest.
7. In case of arbitration the miller, however far distant he may reside, is put to the trouble and expense of attending at the port where he bought the wheat, as there alone the arbitration must be held.
8. Indian wheat shipped with 5 per cent. of dirt in it can only be used by those English millers who have adopted costly cleaning machinery to treat it (who do not number one in twenty), thus sadly limiting the demand for Indian wheat. Were the wheat exported clean, its quality being well adapted to the English market, all millers would gladly use it, and thus aid the development of our Indian Colony.
9. The practice of adding dirt to the wheat is the most execrable of all. Of this admixture of dirt there is no possible method of ascertaining exactly the "5 per cent." The man who has the hardihood to mix 5 per cent. (or any less quantity), his elastic conscience will not scruple to mix 6 per cent. or more, which frequently proves the case to the miller, who has no remedy. In England there is a law to punish the miller if he adulterates flour; in India there should be a law to punish the man who adulterates wheat.

With its present rude mode of agriculture, India labours under many and serious disadvantages compared with those wheat growing countries who use the best appliances and facilities to lessen the cost of production. The latter could not easily be induced to return to the practice of those primitive times when it was commanded,—"Thou shalt not muzzle the ox that "treadeth out the corn."

It is evident that, before India can take her stand on equal terms with other countries to produce wheat for the world's market, much labour and wise forethought will have to be exercised, and abounding difficulties overcome. Amongst those things that will greatly conduce to this end:—

1. Let Government provide good railway and road accommodation, and as far as possible all other helps for cheap and expeditious transit; also public elevators or warehouses at convenient stations where the farmer can store his grain cleaned, to be properly graded by a Government Inspector, so that he can either sell or keep it, after the practice universally adopted in America. In this way arbitration (so objectionable to all parties) will be avoided. The wheat having a fixed character will be sold on its merits, on terms alike to seller and buyer.

I have seen in Dalrymple's farm, near Fargo, U.S.A., a wheat field of 12,500 acres cultivated by the plough and mules. The proprietor told me he should reap the whole in 14 days by mowing machines, and thresh and winnow the whole in 28 days, and place it in trucks on the railway to be sent to an elevator at New York properly prepared for sale.

2. Let the farmer be encouraged and helped, if possible, to procure and use the best threshing and cleaning machinery, to enable him to send his grain properly cleaned to market. To prove how cleaned wheat will benefit him, take as an example 100 quarters wheat, sold with dirt in to extent of 5 per cent., reduced by better cleaning by the grower to 2 per cent.

	Qrs.
The English miller, or last buyer, receives of cleaned wheat	97
Of dirt, for which he has to pay the price of wheat	3
	100

	£	s.	d.
On this 3 qrs. dirt he has to pay carriage from the sender to the shipping port on an average, say, of 2*s.* per quarter	0	6	0
Freight from Calcutta to English port (20*s.* per ton) on 3 qrs.	0	13	4
From English port to mills in the interior, average (6*s.* 8*d.* per ton) on 3 qrs.	0	4	5
And for the dirt itself at, say 25*s.* per quarter, on 3 qrs.	3	15	0
	£4	18	9

Practically, on the 97 qrs., he receives 1*s.* per quarter, which more than compensates for the 10¾ per cent. reported to be lost by selling clean wheat instead of dirty.

	£	s.	d.
If the wheat was sold at 30*s.* per quarter instead of 25*s.* the amount would be	5	13	9
If the wheat was sold at 35*s.* per quarter instead of 25*s.* the amount would be	6	8	9

Further, from machine threshing compared with bullock threshing the former will secure more and cleaner wheat from the straw (I think by 5 per cent.), and by good winnowing he will provide wheat clean and sweet instead of dirty, and often stale, from the bullock's presence, when the bran or rind of the wheat berry from its spongy nature is liable to absorb offensive moisture, causing the wheat to heat in transit.

If I have correctly estimated the advantage of steam threshing at 5 per cent.,—

	£	s.	d.
5 qrs. at 25*s.* will yield	6	15	0
5 „ 30*s.* „	7	10	0
5 „ 35*s.* „	8	15	0

This (or whatever is the correct proportion) will be profit to the farmer, as the time and labour saved will recoup him for the cost of improved means of working.

The difficulties, vexation, and loss inflicted on the English miller by the present tortuous methods of selling Indian wheat would all be obviated by the grower preparing his wheat in a marketable condition, and would more than double the demand for it.

I am well aware that the needed improvements for India must necessarily be of slow and progressive growth. A knowledge of their defects, and how to improve them, must be their first steps to advancement.

I am, dear Sir,
Yours truly,
SAML. SMITH.

APPENDIX F.

EXTRACT FOREIGN OFFICE DIPLOMATIC AND CONSULAR REPORTS ON TRADE AND FINANCE.

Report for the year 1888 on the Trade of the Consular District of Odessa (Russia).

The question of elevators, one of which has been successfully erected at Eletz, in the Government of Orel, at the junction of the Uslovaia-Eletz and the Orel-Verkhovie-Eletz-Griasi Railways, is now being seriously discussed by the Zemstvos, or Provincial Councils, in my district. It is felt that, if steps are taken for the proper storage, conditioning, and sorting of grain at important centres, so that it should be forwarded, as means of transport are available, to the ports for shipment abroad, South Russia will be in a better position to compete with America and India than she is at present. How South Russia is pushing forward in the race of production is proved by the enormous development of the export trade from this port, and even at the end of 1888 only half the year's crop had been exported. The stock then in warehouse was estimated at 3,100,000 tchetverts (2,232,000 quarters), against 1,800,000 tchetverts (1,296,000 quarters) at the end of 1887.

Annex B gives the quantities and values f. o. b. of the several kinds of grain exported during the years 1887 and 1888, showing a very large increase in wheat, barley, rye, and oats, but a falling off in maize.

The average prices f. o. b. during the year were as follows:—

	s.	d.
Winter wheat (Azima)		
Fine quality	28	6
Inferior quality	25 0 to 27	0
Spring wheat (Ghirka),—		
Fine quality	27	6
Inferior quality	24 0 to 26	0
Rye	16	0
Maize	18	6

The above prices are per Imperial quarter of 480 lbs.

Barley - 13*s.* per 400 lbs.
Oats - 10*s.* 6*d.* per 320 lbs.

Annex B.—RETURN of Principal Articles of Export from Odessa during the Years 1888 and 1887.

Articles.	1888. Quantity.	1888. Value.	1887. Quantity.	1887. Value.
	Tons.	£	Tons.	£
Wheat	1,031,758	6,878,960	605,387	4,090,527
Barley	356,666	1,543,620	263,451	893,139
Rye	216,251	741,437	175,118	768,067
Maize	179,280	982,810	325,969	1,300,383
Oats	60,539	293,040	23,855	83,505
Sugar	42,405	1,156,808	43,703	1,065,249
Flour	18,733	197,445	30,874	396,900
Wool	3,203	228,730	6,185	661,658
Sundry goods	161,628	1,491,920	271,803	2,639,145
Total	2,070,462	13,514,170	1,746,342	11,897,304

APPENDIX G.

NATIONAL ASSOCIATION OF BRITISH AND IRISH MILLERS.

Memorandum of the Council in reference to the Conference on the Impurities in Indian wheat, held by invitation of Viscount Cross, G.C.B., Her Majesty's Principal Secretary of State for India, at the India Office, 8th May 1889.

The Council is of opinion that it would greatly tend to the increased consumption of Indian wheat if it came in a cleaner state to this country, and that no good reason exists why it should not do so.

Indian wheat is at present manufactured into flour by a comparatively few millers, who have large mills and sufficient plant of elaborate cleaning and washing machinery to prepare it for use. If it came cleaner it would be purchased by the smaller millers, who cannot now use it on account of its filthy condition.

It appears to this Council quite absurd to defend on any grounds the useless waste of labour and money in bringing thousands of miles a considerable proportion of dirt and other impurities, which must be eliminated before the wheat can be ground, and which could be as readily and effectually done at the port of shipment or principal centres of collection in the interior of India.

The amount of dirt in the wheat has, however, another bearing on the question. The impurities largely consist of pieces of earth from the threshing floor, impregnated with offensive animal matter, and this, being packed with the wheat in bags, during the long voyage in close confinement imparts to the grain a taste and smell which is very objectionable, and which cannot be removed altogether by the most elaborate and costly cleaning and washing. There appears to be no good reason why the wheats of India should not be delivered into England of nearly as good flavour and sweetness as from other distant countries.

The Council have considered the statements put before Lord Cross by the London Corn Trade Association, and wish to state that they are not at all in accord with them in this matter, nor do they agree that the views of millers are accurately given in the document in question, which is presumably written in the interest of shippers and not of the public. There can be doubt that the replies from the 510 millers in answer to the questions submitted to them by the India Office fairly represent the opinions, not only of themselves, but of the great bulk of the 8,000 corn millers of the United Kingdom.

It has been argued that millers need not buy on the form of contract issued by the Corn Trade Association, but can purchase on sample on arrival; but, as a rule, millers purchase Indian wheat for forward shipment in order to cover the sales of flour made for forward delivery, and are compelled to use the form of contract or not buy in this way at all. The Indian wheat coming by the Cape is very much purchased for its convenience as "cover," and if the millers so buying are not able to clean it they have to sell on arrival. It is, therefore of great importance that the contract form should be altered, and the proportion of dirt allowed very much reduced.

The Council hopes that the Indian Government will not allow the question to rest until some improvements have been effected, and insist on the wheat being shipped in a cleaner state from the ports of that country, and further trusts that any persons who purposely adulterate wheat with impurities may be dealt with by the criminal law, as the practice tends to injure the quality and flavour of the grain, and to bring into disrepute the produce of a portion of the British Empire, whereby the trade of the Empire is injured, and the grain of foreign countries obtains an advantage in English markets from causes which are largely preventable.

On behalf of the Council,
R. HARVEY DAW, President.
J. H. CHATTERTON, Secretary.

61, Mark Lane, London,
15th June 1889.

EAST INDIA (WHEAT).

BOMBAY BRANCH
OF THE
Royal Asiatic Society.
CLASS

REPORTS AND PAPERS

ON

IMPURITIES IN INDIAN WHEATS,

1888-89.

Presented to both Houses of Parliament by Command of Her Majesty.

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Report on Impurities in Indian Wheats. No. 1.

10, Mark Lane, London, E.C.,
22nd August 1888.

Sir,

We have carefully considered the memorandum of 1st June 1888 (Appendix A) sent to us, respecting the dirt and impurities in Indian wheats, together with the Proceedings of the Lieutenant Governor of Bengal, No. 1265, Agriculture (Appendix B).

The forms of contract used in the United Kingdom in the sale of Indian wheats stipulates that the quality shall be of fair average quality (f. a. q.) of that month's shipment, and do not make any mention of a 5 per cent. refraction.

The Corn Trade Association arranges, with dock companies and others, to draw samples from each parcel received at the different ports, and from these samples the month's average is then mixed and prepared.

Sales are generally made in lots of 100 tons each, and in shipping a Bill of Lading is made for each 100 tons, this having been found a convenient quantity.

A very considerable trade is now done in buying and reselling Indian wheats on the f. a. q. basis.

This helps to explain how it is that any parcel of special quality would receive little or no attention. Such parcel would have to be sold by sample, and each buyer would have to inspect and pass on the sample, the first seller would have to seal it, and there would be much trouble and uncertainty if the parcel were sold several times. Thus the objection of the merchants and millers would be to selling or buying each parcel by its own special sample.

If regular supplies of clean wheat could be ensured, there is not the slightest doubt but that they would much prefer, and would gladly pay for, clean wheats.

We have personally inquired of many millers and dealers, and, without exception, they express a desire for clean wheat, some remarking, "Do you not think we should "give a less price for Australian wheats if they contained dirt?"

Many of the largest millers have met the difficulty by erecting extensive washing and cleaning machinery, which gives them somewhat of an advantage, and so are willing that Indian wheats should continue as at present, but many millers are prevented using Indian wheats by the need of such machinery. This, we are informed, is still more the case on the Continent.

During the last year or two special samples of "selected Bombay" wheat have been offered upon the market, and command higher prices than No. 1, Bombay.

They are guaranteed to contain—

94 per cent. of white wheat 4 per cent. of red wheat Not more than 2 per cent. of dirt	6*d.* to 9*d.* higher price than No. 1, Bombay.
92 per cent. of white wheat 6 per cent. of red wheat Not more than 2 per cent. of dirt	4½*d.* to 6*d.* higher price than No. 1, Bombay.

It is important that different kinds of wheat should as much as possible be kept separate. The admixture of hard and soft, and white and red wheats prevents the miller using each to best advantage. Red wheat mixed with white prevents the white from being used for the finest flours. Hard wheats require damping to a much greater extent than the soft, so that if mixed together one is always either too much or the other too little damped.

A remarkable point about the exportation of Indian wheats is that shipments of new wheat, *i.e.*, those shipped March, April, and May, are so very superior to those shipped later in the season, *i.e.*, August, September, and October. These latter are often so disappointing to millers who have expected to receive bulks equal to early shipments that it has forced many to decline to deal in these latter shipments, for if the whole of a month's shipments were of low quality there would be no allowance on the f. a. q. terms.

The poor quality of the late shipments may arise from the storing of wheat in pits, some part of the wheat is almost certain to be damaged, and also gets a further admixture of dirt. A remedy for this would be to store the wheat in properly constructed public granaries until required for shipment.

I 58411. Wt. P 121.

Large seeds, such as gram and peas, are easily removed by sifting, and also the small seeds, such as linseed and rape, but it is almost impossible to separate such seeds as barley, &c., they being about the same size as wheat.

The presence of stones is the greatest difficulty the miller has to contend with, and these are found in the red Bombay and Atbara wheats.

If you think it desirable, we should have pleasure in getting all the different average samples of Indian wheats as received in London, and make a careful analysis and report to you the percentage of all admixture other than wheat.

We do not refer to the means to be employed in separating and cleaning wheats. We keep only to the point you particularly raise, viz., Would clean wheat have a better sale than dirty?

The information we have gathered is unanimous on the following points:—

1. Clean Indian wheats are much desired.
2. Extra price would be paid for clean wheats.
3. Clean wheats would cause much increased use.
4. Wheats carefully selected should be as near as possible of one sort, being then more valuable than when mixed together.
5. That the practice of mixing dirt and seeds is most detrimental to the practical value of Indian wheats, and urgent steps should be taken against it.

We are, &c.,
(Signed) McDougall Bros.

The Under Secretary of State
for India.

Copy of Contract Form.

London Corn Trade Association.

FORM 1. EAST INDIAN WHEAT CONTRACT.

Entered at Stationers' Hall,
(Revised 2nd January 1888.)

London, 27*th April* 1888.

**Bought of A. B.*

of Lambeth.

Domiciled in London

on the printed rules endorsed on the back of this contract, about 100 *tons of wheat in bags* (2 per cent. more or less) say *one hundred tons of Number Two Club Calcutta wheat, to be at time and place of shipment, of fair average quality of the season's shipments when shipped, crop* 1888, shipping, shipped, or to be shipped per *one or more* first class *steamer or steamers* not lower than A 1 in red English, 5/6 1 1 French Veritas, or equal classification in Austrian, Norwegian, Italian, or other equal Register (Greeks and Turks excepted), from *Calcutta, viâ* the *Canal*, shipment made, or to be made, and Bill or Bills of Lading to be dated *during June and/or July* 1888, reckoning provisionally 2,730 Bazaar maunds of 82 lbs. English, equal to 100 tons, at the price of 31*s.* 4½*d.* less 2 per cent., say *thirty-one shillings and fourpence halfpenny, less two per cent.*, per 492 lbs. net delivered, including Freight, as per Bill or Bills of Lading, and Insurance to London, and including the usual double gunny, or double Borneo Company's bags, or bags equal in value thereto. No charge for Dunnage. To discharge as customary, and as per Bill or Bills of Lading. Payment, cash in London, within seven days from the day on which Invoice is handed, less discount for the unexpired term of *three* months from date of Bill or Bills of Lading at Bank rate of the day on which payment is made, but not less than 5 per cent. per annum, in exchange for Bill or Bills of Lading and Policies of Insurance (free of war risk) effected with approved underwriters, but for whose solvency sellers are not responsible.

---

* The portion of the above form filled up in writing is shown in italics.

The Company in whose Dock the ship discharges shall be ordered to weigh at Buyer's expense one sound and undamaged bag in every 20 as they rise from ship or quay, or every bag, at Buyer's option, and two in every 100 shall be emptied to ascertain the tare (the whole of said bags being weighed together), and the Dock Certificate shall settle the weight for final Invoice. Should Buyer elect to have one bag in every 20 weighed for average, then slack bags to be weighed separately. All sea-water damaged and sweepings to be rejected.

Seller to pay our Brokerage of *half* per cent., on the gross provisional Invoice amount, contract cancelled or not cancelled.

Seller to give Policy or Policies of Insurance for 2 per cent. over the net Invoice amount, plus the 2½ per cent. on the gross Invoice amount, and any amount over this to be for Seller's account. All average to be for Seller's account, Buyer in such case to return Policies to Seller, and to furnish him with the usual documents required by average adjusters for preparation of average statement on settlement of final invoice.

In case of prohibition of export, blockade, or war preventing shipment, this contract or any unfulfilled part thereof to be cancelled.

Buyer and Seller agree that, for the purposes of proceedings either legal or by arbitration, this contract shall be deemed to have been made in England, to be performed there, any correspondence in reference to the offer, the acceptance, the place of payment or otherwise notwithstanding, and the Courts of England or Arbitrators appointed in England, as the case may be, shall have exclusive jurisdiction over all disputes which may arise under this contract. Such disputes shall be settled according to the law of England whatsoever the domicile of the parties to this contract may be or become. Any party to this contract residing in a foreign country shall, for the purposes of proceedings, be considerd as residing at the Consulate in London of the country of his residence, and the service of proceedings at such Consulate and the posting of a copy of such proceedings to the address abroad of the party in question shall be deemed good service, any rule of law notwithstanding. This clause shall not be applicable to parties residing within the United Kingdom.

Difference in quality shall not entitle the Buyer to reject, except under the award of Arbitrators or the Committee of Appeal, as the case may be. All disputes from time to time arising out of this contract shall be referred, according to the 15th printed rule endorsed on this contract, and this stipulation may be made a rule of any of the Divisions of Her Majesty's High Court of Justice in England or in Ireland, or an order of the Court of Session in Scotland, on the application of either contracting party, and neither Buyer nor Seller shall bring any action against the other of them in respect of any such dispute except for an amount so settled by Arbitration, or by the Committee of Appeal, as the case may be, and it is expressly agreed that the obtaining an award from either tribunal, as the case may be, shall be a condition precedent to the right of either contracting party to sue the other in respect of any claim arising out of this contract.

' Deposit clause.—Buyers have option of paying as within, or by a deposit of 5*s.* per quarter within seven days after receipt of invoice and notice that documents are ready, and balance on arrival of vessel or expiry of prompt, whichever happens first.

RULES.

1. *Provisional Invoice,* with ship's name, marks, number of bags, and date of Bill of Lading, shall be handed by the seller to his buyer within 35 days for shipments by steamer, and 40 days for shipments by sailing vessel, from date of Bill of Lading, and by the subsequent sellers in due course, unless arrival of Mail Steamer be delayed by unforeseen circumstances. If documents are tendered within the time stipulated, but after arrival of the Steamer to which the tender refers, landing charges incurred shall be borne by seller. No more than two appropriations shall be made on each 100 tons of wheat. A tender to the buying broker to be deemed a tender within the terms of this contract; all buyers not employing a

London broker, to name in their contract a domicile in London where tenders may be made. The name of the original seller shall be inscribed on each invoice. In the event of a tender being of less quantity than 25 tons, the Dock Company's consolidated rate of charges shall be deducted from the invoice upon such quantity.

2. *Bill of Lading* to be considered proof of date of shipment in the absence of evidence to the contrary. Each shipment to be considered a separate contract. In the event of shipment by steamer to London, and the owner of the steamer refusing to contribute the 1*s.* per ton in accordance with the Dock rates of 1877, the said 1*s.* per ton shall be paid by the Seller.

3. *Notice to retire Documents* shall be given by the last buyer to the original seller, and also to his seller, before 11.45 a.m. on the day of payment.

4. *Rejections and Differences in Weights* shall be settled at the cost, freight, and insurance market value, of the quality guaranteed, on the day on which delivery order for rejections and/or Dock warrant is tendered, or, if not a market day, the previous market day. The claim for settlement to be made within 21 days of the receipt of the Dock Company's final return.

5. *Marks.*—Any deviation of marks from B/L or invoice not to be objected to, so long as quality comes within terms of contract, and the bags bear the *bonâ fide* mark of the shippers. Any expenses incurred in landing and assorting deviating marks to be borne by original seller.

6. *Sea Damaged.*—Receiver shall and first seller may give orders to the Dock Company in whose Dock vessel discharges to sort by outward appearance. Water stained bags not caked or crusted shall be stabbed, and if the wheat be uninjured by sea water the same shall be received by buyer.

7. *Samples* to be drawn by the Dock Company in whose Dock the ship discharges, from two or more sound bags in every hundred, as they rise from the ship. Should either seller or buyer require more than two bags sampled in every hundred, the extra expense to be borne by the party giving such orders. The sealed Dock sample to be taken as correct and final in the case of arbitration.

8. *Weights.*—Docks to weigh in all cases for average. If after 21 days of final discharge no other Dock Certificate be produced, the average weights shall be final.

9. *In default* of fulfilment of contract, either party, at his discretion, shall, after giving notice, have the right of re-sale or re-purchase, as the case may be, and the defaulter shall make good the loss, if any, by such re-purchase or re-sale, on demand.

10. *Quality.*—Should it be decided by arbitration that the wheat shipped is of a distinctly different description to that guaranteed in this contract, seller shall, if required, receive the wheat back at the cost, freight, and insurance market value of the day on which the award is made, of the quality guaranteed, or should the buyer keep the wheat, the seller shall pay such an allowance for inferiority or difference in quality as may be awarded by arbitration in London, but it shall be in the discretion of the arbitrators to give in either case damages, if any, not exceeding 2*s.* per quarter, over and above the difference in value, according to the special circumstances of the case.

11. *Notice of Arbitration* to be given and Arbitrator nominated by the last buyer to the last seller (and by other buyers in due course) not later than 14 days after the making up of the London Corn Trade Association Standards for the month of shipment, and for Sailing Vessels (or Steamers not having arrived when the Standard Samples were made up), not later than 21 days after the Dock Sample is to hand, but if the Sample is not forwarded to the offices of the London Corn Trade Association, and the buyer does not instruct his Arbitrator to proceed with the Arbitration within a further 14 days, the notice of Arbitration to be void.

12. *Settlements.*—After the documents have passed, first seller and last buyer may settle all claims together, in which case the intermediate provisional invoices shall become final.

13. *The Policies* are to be for the benefit of sellers, and are to be returned to them on final settlement, except in case of total loss. Should there be a general average, then after settlement of same.

14. *Any Commission on Freight* as per charter-party or return premium on policies of insurance to be for the benefit of sellers, but any discount for payment of freight in cash to be for benefit of buyers.

15. *Arbitration.*—All disputes arising out of this contract shall be from time to time referred to two Arbitrators, one to be chosen by each party in difference, the

two Arbitrators having power to call in a third in case they shall deem it necessary. In the event, however, of one of the parties appointing an Arbitrator and the other refusing, or, for seven days after notice of the appointment neglecting to appoint, or in case of the death, refusal to act, or incapacity of any one or more of the Arbitrators; and the party or parties with whom their or his appointment originally rested shall omit to appoint a substitute within three days after notice of such death, refusal, or incapacity, then upon application of either of the disputing parties, and provided the applicant pays to the Secretary of the Association the sum of 5*l.* 5*s.*, the questions in dispute shall stand referred to two Arbitrators to be appointed by the Executive Committee of the London Corn Trade Association at a meeting convened by notice, and at which not less than three members shall be present. In case the two Arbitrators appointed as aforesaid shall not within fourteen days after their appointment agree to an award or appoint a third Arbitrator, then the said Executive Committee, at a meeting constituted as hereinbefore provided, shall appoint a third Arbitrator, and, in case of the death, refusal to act, or incapacity of any such Arbitrators, the said Executive Committee shall from time to time substitute a new Arbitrator or Arbitrators in the place of the Arbitrator or Arbitrators so dying, refusing, or incapacitated.

The Arbitrators appointed shall be in all cases Principals engaged in the Corn Trade as Merchants, Factors, or Brokers, and members of the London Corn Exchange or Baltic. Any person having an interest in the matter in dispute shall be incompetent to act as Arbitrator.

The award of any two Arbitrators in writing (subject only to the right of appeal hereinafter mentioned) shall be conclusive and binding upon all disputing parties, both with respect to the matter in dispute and all expenses of and incidental to the reference and award.

Any member of the Committee, having an interest in the matter in dispute, shall not vote on the question of the appointment of Arbitrators.

In case either party shall be dissatisfied with the award, a right of appeal shall lie to the Committee of Appeal elected for that purpose, and in accordance with the rules and regulations of the London Corn Trade Association in force at date of Contract, provided notice be given to the Secretary of that Association before 4 o'clock p.m. on the fourth business day after that on which the objecting party shall have notice of the award, and provided also the Appellant (if a member of the Association) do pay to the Association, on giving notice of appeal as above, the sum of 15*l.* 15*s.* as a fee for the investigation. Or provided also the Appellant (if not a member of the Association) do pay in like manner and for the like purpose to the Association the sum of 21*l.*

The Committee of Appeal shall confirm the award appealed from, unless four of the members appointed to hear such appeal decide to vary such award.

The award of the Committee of Appeal, whether confirming the original award or varying such award, shall be signed by the Chairman of the Committee, whose signature as Chairman shall be conclusive, and when signed shall be deemed to be the award of the Committee, and shall in all cases be final.

No appeal will be allowed on awards for condition, where the grain is sold on terms known as Rye terms.

Notices under this Rule to be given in writing, and delivered personally, or left at the usual place of business of the person or firm to whom they are addressed.

APPENDIX A.

Memorandum in reply to the Inquiry by the Right Honourable Viscount Cross regarding Impurities in Indian Wheat.

Indian wheat comes to Europe dirty—

partly by reason of admixture of gram or some other inferior grain;
partly by reason of admixture of earth or mud.

The first admixture is due to the custom which prevails in many parts of India of growing wheat together with gram or pulse, mixed or alternated, in the same field.

They ripen about the same time, and tend to get mixed on the threshing floors. The probable reasons for this custom are that each product absorbs a different constituent of the soil, and that each flourishes best with different varieties of season. The ryot hopes by having two crops in the ground together to win on one of them at any rate, whichever way the season goes. This practice of growing two crops together is less common where irrigation is much extended. It will decrease or disappear when the ryot finds it distinctly to his advantage to grow wheat alone, that is, when he gets, clearly and undoubtedly, a better price for wheat so grown.

The admixture of earth and mud with grain results from the Indian mode of threshing, every ryot, or sometimes every group of neighbouring ryots, has a threshing floor on which the sheaves are piled as they come from the fields. The threshing floor is always away from the village, so as to obviate fire risks. The floor is made of smoothed mud which hardens in the sun; the sheaves are trodden out by cattle, some of the mud of the floor gets trodden up by the cattle's feet, and is swept up with the grain. The grain, chaff, and dirt are winnowed by hand in the wind, but the winnowing does not separate or throw out the dirt. Thus some dirt is always left with the grain, except where winnowing and sifting is done by machinery. And it may be long before ryots can afford winnowing and sifting machines.

Knowing and finding that there is always *some* dirt in wheat, the great exporting houses in India (Bombay and Calcutta), and the importing firms in England have made up their minds to accept 5 per cent. of dirt with Indian wheat. Prices are quoted at the Indian ports, in London, and at the railway marts in the interior of India, for wheat with 5 per cent. of dirt. Most of the exporting houses "sell forward," that is to say, they agree to deliver or ship wheat before they have bought it. They agree on a price, either in London or "free on board" at the Indian port, for wheat with the 5 per cent. of dirt, or as it is called "refraction." And they say that, until the general character of Indian wheat changes, they cannot pay a higher price for wheat with any less proportion of dirt. A report by Mr. Finucane, Director of Agriculture in Bengal, shows,—

(1.) that export houses have distinctly declined to pay any better price for wheat with only one or two per cent. of dirt;
(2.) that, therefore, it is directly to the disadvantage of the Indian ryot or middleman to deliver wheat with anything less than 5 per cent. of dirt;
(3.) that ryots and middlemen actually and systematically mix a certain proportion of dirt with their wheat before they deliver it to the export houses.

The correspondence with merchants appended to Mr. Finucane's letter, and a recent article in the "Indian Agriculturist," show that all this is well known, and show also that Messrs. Ralli Brothers, the biggest export firm in Asia, made an effort to get a quotation for specially clean wheat. It is not clear how their attempt ended. But no doubt it is difficult to change a custom like that of the 5 per cent. refraction, and to get the trade to sample specially, and to pay higher rates for, small parcels of better cleaned wheat.

The Agricultural Department in India urge that improvement in the quality and purity of Indian wheat must be brought about by the big exporting firms showing that they want and will pay for better grain. The commercial authorities say that the Government can and should take steps to induce the ryots to send forward cleaner wheat; they add that, when cleaner wheat comes forward in quantity, they (the merchants) will be able to quote a better price for it. They cite the experience of the "Cotton Frauds" Department, which, by help of a special enactment, secured an immense improvement in the cleanness and purity of cotton sent from Bombay to England. No one, however, has ventured to propose a "wheat frauds" department, supported by a small export due on wheat. In America the big export firms sift or separate the wheat, and guarantee (more or less) that any consignment which passes through their hands shall be according to sample.

I do not suppose any one would advocate a "wheat frauds" Act, and the circumstances above stated do not furnish ground for anything of the kind. Still it is obviously a distinct loss to all concerned that so much dirt should be, more or less intentionally, mixed with Indian wheat. The dirt adds an avoidable 3 or 3½ per cent. to the cost of carriage from the fields to the seaboard and across the sea, the dirt spoils or fouls the milling machinery in England, and it depreciates the value of Indian wheat. What, then, can be done to promote improvement?

I suggest that the state of the case, as now put, should be laid before representative people in the London Corn Trade, and they might be asked whether they could not

devise some plan whereby Indian ryots and Indian export houses would be encouraged and induced to send home cleaner wheat. In the rice trade prices are quoted for clean grain (either cargo rice or white rice), and the London buyer is entitled to make a deduction on the price agreed upon, if the consignment falls in quality below the average of the year. For instance, a London miller agrees to buy a cargo of Arakan cargo rice of the average quality of the year at 7*s.* per cwt. If the rice, when delivered, is found to be injured by damp, or in any other way below the average of the year, the buyer makes a "cut" (or reduction) of so much per cent. on the price agreed. If buyer and seller cannot settle together the amount of the "cut," the rice goes before mercantile arbitrators, who decide upon the amount of "cut." The same process takes place in India, when a consignment of yarns and piece-goods is below sample, or damaged. It might be possible for wheat houses at the places of export, and in London, to quote and agree upon prices for wheat, with (say) only 2 per cent. of "refraction," and it might be agreed or understood that a "cut" would be enforced on consignments below that average. The "cut" would have to be made at the port of despatch in India, so Indian traders would have to accept the arrangement. It would seem, however, from the passage italicised on the first page of Mr. Finucane's letter that Ralli Brothers, the biggest of Indian export firms, would gladly accept any practicable arrangement for bettering the average of Indian wheat exports.

If the Right Honourable the Secretary of State were disposed to make any suggestion of this kind to the representatives of the wheat trade, I would propose that this note, with copies of the papers quoted, be handed to Mr. Finucane (who is now in England on short leave), in order that he might call on Messrs. McDougall and others, to ascertain their view upon such a suggestion.

C. E. BERNARD.

1st June 1888.

APPENDIX B.

PROCEEDINGS OF THE LIEUTENANT GOVERNOR OF BENGAL.

No. 1265, Agriculture.

From M. FINUCANE, Esq., C.S., Director of the Agricultural Department in Bengal, to the Secretary to the Government of Bengal, Revenue Department.

Sir, Calcutta, the 18th August 1887.

I have the honour to acknowledge the receipt of your memorandum, No. 1258 T.-R., dated 29th of September last, forwarding, for any remarks I may wish to make, a letter from the Secretary to the Chamber of Commerce, dated 15th idem, in which comment is made on certain remarks made by me on the subject of wheat refraction, in a report submitted with my letter No. 391 T., dated 7th July 1886.

2. The remarks made as regards refraction in that report were the following:—

"The real reason why Indian wheat is adulterated by admixture of foreign substance lies, not in defectiveness of winnowing arrangements, but in the fact that it is not to the cultivator's interest to produce entirely clean grain; for so long as a minimum of 5 per cent. refraction is deducted by exporters in Calcutta, it is evident that it is the interest of the producer to mix dirt with the grain to that extent at least. It was suggested that the remedy therefore lies, not in the introduction of better winnowing arrangements, so much as in the alteration of the present system of deductions for refraction."

Mr. Allen confirms these views by saying:—

"Similar arguments apply to adulteration of mud, &c. These, I believe, the ryot does not add wilfully, because the bepari or petty trader to whom he sells would detect them in his small consignment and pay him an inferior price. On the other hand, the petty trader does not insist on cleaned grain, for he will not himself sell grain containing less than 5 per cent. of impurities, which, if deficient, he will add; for so long as the Calcutta merchants accept 5 per cent. as refraction, it would not pay the bepari to sell grain with only one or two per cent. of adulteration. This brings me to the real point of the whole question. It is purely a case of supply and demand. If the Calcutta merchants insisted on cleaned grain, they would get it. They do insist on clean samples in the case of linseed, and the result is that linseed is cleaned by the actual cultivators before being sold to the petty dealers. The same result would, I believe, follow in the case of wheat. As

matters now stand, wheat in Patna is freely adulterated. Ralli Brothers, in Patna City, deal only with the petty dealers, and these refuse to give any guarantee with the wheat sold. Each lot has to be tested both for impurities and for the percentage of red grain before the price is fixed. If the samples tested happen to be superior to the bulk, the bepari gains. If they should be inferior the bepari can refuse to deal, and so he cannot lose either way. The cultivators never get a fair price, for the brokers and the aratdars have each to get their commissions on each transaction between the bepari and Ralli Brothers. In some marts, where the grain comes chiefly from the neighbourhood, it might be possible for Ralli Brothers to deal directly with the actual cultivators; but in Patna, where the grain comes largely from Gorakpore and Fyzabad, this is impossible, and the agent for Ralli Brothers is compelled to deal with the petty dealers, whose interest it is to cheat him if they possibly can.

"Since writing the above, I have had a remarkable confirmation of these views from the Manager of the Dumraon Raj, the Honourable Jai Prokash Lall. The statements he made were so significant that I took a note of them at the time, and at the same time informed him that I should embody them in this report. The Manager said that, about two years ago, when the prospects of the wheat trade were apparently good, he seriously thought of cultivating wheat on a large scale. He estimated that on the Rajah's estates there were 300,000 acres of land capable of growing wheat, and he proposed commencing operations with a capital of two lacs. His idea was to induce the ryots to grow wheat alone by means of advances in coin and seed, and he intended purchasing machinery, such as he had seen at the Calcutta Exhibition, for cleaning the grain. All that he now required was a remunerative market. Last year, when in Calcutta on Council business, he called at the office of Ralli Brothers, and after telling them his plans asked what price they would give for clean grain. *Ralli Brothers informed him that owing to the action of the merchants in England they could not afford to pay more for a clean sample than they now did for grain with 5 per cent. refraction. Upon hearing this the Manager abandoned the idea of growing and cleaning wheat on a large scale.* It is difficult to overrate the significance of this anecdote, which appears to prove conclusively that, so long as merchants will not pay a higher price for clean grain, it is useless for Government to think of inducing cultivators to change their present practice.

"I then asked the Manager about wilful adulteration. He said that he had a gola at Itari, near Buxar, from which he used to sell wheat on rather a large scale to the agent of Ralli Brothers at Buxar. The wheat as he got it did not contain 5 per cent. of foreign matter. Accordingly his servants were directed to mix two maunds of earth with every 100 maunds of grain, so as to bring the adulteration up to the required standard. This earth was treated with water and specially prepared for the purposes of adulteration. The suggestion for adulterating the grain in this way came, as the Manager says, from the employés of Ralli Brothers. This fully bears out what Major Boileau says, that grain dealers in Dinapore wilfully adulterate their grain, adding about two maunds and thirty seers of dry clay, bhusee, and other grains to every hundred maunds of wheat. Mr. T. Gibbon, C.I.E., the Manager of the Bettiah Raj, told me that wilful adulteration was practised by the petty dealers in Chumparun, and Mr. Carnduff, writing from Hajipore, a large grain mart, says, 'In the 'hands of the middlemen, when the grain is lodged in their golas, such grains as *akla pipra* are, I understand, 'intentionally added with a view to adulteration.' Mr. Jenkins, from Buxar, who has clearly paid a good deal of attention to the subject, is of the same opinion.

* * * * *

"Messrs. Mylne and Thompson have pointed out to me that the adulteration of *gur* is analogous to the adulteration of wheat. When their sugar mills were first introduced, they were valued by the purchasers on account of their saving labour, and not because they turned out a cleaner article. Even now the bunniahs in Jagdispore refuse to pay higher price for *gur* free from adulteration, and though the cultivators *can* produce clean *gur*, and *will* do so if required, it does not pay them to clean the *gur* they sell in open market. There is now, however, a tendency among European firms to pay a higher price for purer *gur*; similarly, if the merchants would reduce their standard of refraction, they would get cleaner samples of wheat. This question is treated exhaustively in the report from Shahabad, and it is so difficult to make extracts without omitting something of interest, that I venture to suggest that the whole report be sent in original. The possibility of cleaning grain with the ordinary tray-shaped fan (soop) is pointed out by the Collector of Sarun and in the report from the Patna district.

"As regards, then," I added, "the alleged imperfection of present arrangements for winnowing, it will thus be seen that the mixture of dust from the threshing floor forms a very small portion of the impurities found in Indian grain, and that the present arrangements for winnowing are as good as can be hoped for under present conditions. It will of course be desirable to effect improvements in winnowing and threshing, should any be found possible; but the root of the evil complained of can only be reached by the abolition of the system of allowing a minimum refraction of 5 per cent., a remedy which lies in the hands of the merchants themselves. The facts mentioned by the Manager of the Dumraon Raj show conclusively that clean grain will be forthcoming if the merchants pay for it, and that it will not be forthcoming, however perfect the winnowing and threshing arrangements may be, so long as a minimum of 5 per cent. is allowed for impurities, be the samples ever so clean.

"These facts and arguments have been brought to the notice of the Calcutta Chamber of Commerce, who, while not denying their force, express regret that they are unable in the present state of the trade to alter the existing practice in this respect. As long as that practice continues, it would appear to me to be futile for Government officers to talk to cultivators of the advantages of producing entirely clean grain. On the contrary, if Government officials interfere at all in the matter, it should be by explaining to the cultivators that it is to their interest to mix at least 5 per cent. of foreign matter with clean grain before offering it for sale."

3. The Chamber, in reply to the remarks above quoted, observed that—

"In again discussing the question of the refraction of wheat, the Committee of the Chamber have availed themselves of the views and opinions of the Wheat and Seed Trade Association. The Chamber of Commerce is quite as desirous as the Government to secure that Indian wheat shall be exported as free from admixture as possible, and keeps this result steadily in mind in all discussions bearing on this subject. But although parcels of fairly clean wheat do reach Calcutta, they are so small as to have no effect on the market. An exporting merchant is precluded from giving a better price for such parcels, because he will reap no corresponding advantage in the home market. If clean wheat were delivered in Calcutta in large quantities the case would be different.

"The Director of Agriculture remarks that 'a minimum of 5 per cent. refraction is deducted by exporters 'in Calcutta;' this is a misapprehension. No deduction of weight is made unless the impurities in a parcel exceed 5 per cent. It is because experience shows that wheat can seldom be delivered in Calcutta with a less amount of admixture than 5 per cent. that the Committee do not see their way to recommend an alteration

of the standard of refraction. The officers of Government may render the trade most valuable service by steadily impressing upon the cultivators that what is most objectionable in Indian wheat in the eyes of home growers is the presence in a parcel of other grains and seeds, such as barley, pulses, linseed, and the like. Mud and earthy matter can be eliminated without very great difficulty, but it is next to impossible to separate other grains and seeds from the wheat. So long as Indian cultivators grow wheat crops carelessly, or along with or side by side with other grain or seed crops, so long will it be difficult to obtain wheat in quantity of a purity which would enable exporters to alter the standard of refraction. But real service would be done both to the trade and the cultivators if the officers of Government kept steadily before growers of wheat that it is principally the admixture of foreign grains and seeds which maintains the 5 per cent. standard of refraction, and also impressed upon them that to obtain a better price for clean wheat, such wheat must be sent into this market in large quantities."

4. I have hitherto refrained from making any comment on the Chamber's remarks, because it appeared to me that the object which the Chamber and Government alike had in view, namely, that of promoting the interest of producers and traders in Indian wheat, by the adoption of measures for prevention of adulteration of wheat by admixture of foreign substances with it, would not be served by entering on a discussion which could lead to no substantial results. It was therefore thought desirable to endeavour to take some such action as would bring the questions at issue to a practical test, and it is rather with a view to report the results of this action, than from a desire to criticise the letter of the Chamber of Commerce, that I now address you.

5. One or two remarks may, however, in passing, be here made on the Chamber's letter.

It may at once be admitted that the phrase "a minimum of 5 per cent. refraction "is deducted by exporters in Calcutta" is misleading. Five per cent. is not deducted from the actual weight of wheat when it arrives in Calcutta, but prices are fixed on the assumption that all wheat contains at least 5 per cent. of foreign matter; and given say 100 maunds of best Buxar wheat landed in Calcutta free from dirt, my contention was that the price per maund which such wheat would realize was not more than that same grain would fetch if mixed with 5 per cent. of dirt. I do not understand, from the discussions which have taken place on the subject, that the correctness of this statement is disputed, and if this be so, it would appear that the practical effect of the system as regards encouragement of adulteration is the same as if 5 per cent. were deducted from every 100 maunds of clean grain. I admit, however, as already remarked, that the phrase used was somewhat misleadin; but I may perhaps be allowed to plead in excuse for it that the report in which it occurred was laid before the Chamber before it was published, that criticisms were invited upon it, and that attention was specially called to the remarks on the subject of refraction, but no exception was taken to them; on the contrary, the accuracy both of the statements of facts and of the conclusions deduced from them would appear, from the correspondence which took place, to have been admitted.

6. Coming to the real subject matter of this letter, I now beg to report what measures have been taken to bring the question at issue to a practical test, and the degree of success which has attended those efforts. It will be remembered that the Honourable Jai Prokash Lall, Manager of the estates of the Maharajah of Dumraon, had stated that he had at one time formed a plan to induce his ryots to grow wheat, on a large scale, alone, without admixture of other crops, but that he abandoned the idea because he found that he could not obtain a higher price for clean wheat than for the same grain mixed with 5 per cent. of dirt or other foreign substance. This gentleman came down to Calcutta in March last, and expressed his willingness to reconsider his decision. Accordingly I addressed certain Calcutta firms named in the margin,* and inquired whether they would guarantee a higher price for clean wheat for the same quality of grain mixed with 5 per cent. of dirt. It will be seen, from the correspondence which is annexed, that none of these firms were at that time in a position to offer higher prices for clean grain than for the same grain mixed with 5 per cent. of dirt; but they expressed their willingness to send samples of pure wheat to England, if supplied with it by the Manager of the Dumraon Raj or Government, with a view to ascertain whether it would there fetch an adequate price.

* Messrs. W. Vale, King, & Co.
„ Petrocochino Brothers.
„ Ralli Brothers.

Messrs. Marshall, Sons, & Co., Gainsborough, England, about this time proposed to bring one of their steam wheat-thrashing machines from Bombay, and by means of it to clean wheat down to 2 per cent. of impurities, and also to purchase some wheat thus thrashed and cleaned, and send a small consignment of 200 to 300 tons of it to England, in order to ascertain whether it would command a higher price than ordinary Indian wheat mixed with dirt. They asked Government to co-operate

by making a grant of Rs. 1,000 towards defraying the charges of carriage of the machine. This grant was made, and the machine was accordingly brought from Bombay and tried at Dumraon in May last.

7. It was found that the machine failed to separate wheat from *bhut* or gram, and it was then too late to obtain a sufficiently large quantity of wheat which had been grown alone to permit of the original plan, of sending two or three hundred tons to England, being carried out. Experiments were, however, made on a limited scale, and samples of the steam-thrashed grain were sent to the Chamber of Commerce, to the Agri-Horticultural Society, and Messrs. Ralli Brothers, for appraisement. The reports of the Chamber of Commerce and of Messrs. Ralli Brothers are annexed. According to the report of the latter, the grain thrashed in the ordinary way contained $5\frac{1}{8}$ per cent of impurities, the steam-thrashed wheat contained only $1\frac{7}{8}$. But the steam-thrashed wheat, on the other hand, was to some extent chipped and broken. Messrs. Ralli Brothers point out that it is impossible to fix the relative values of the two samples, and add that if the steam thrashed sample were delivered against a contract, allowing 5 per cent. refraction, the seller would derive no advantage from the superior purity of the sample. The Committee of the Wheat and Seed Trade Association say that the bullock-thrashed grain contained 9 per cent. of foreign matter, and was practically unmerchantable, while the steam-thrashed wheat refracted only $3\frac{3}{4}$ per cent. The value of 100 maunds of the former they put down at Rs. 279, and of the latter at Rs. 290. 10.

8. It will thus be seen that these experiments, though they show that wheat can be cleaned down to 2 or 3 per cent. of refraction, yet are not decisive on the question whether wheat so cleaned will command an adequate price.

9. It will, however, be satisfactory to Government and the public to learn that Messrs. Ralli Brothers have, as will be seen from their letter dated 21st July 1887 (reproduced as an annexure to this letter), lately shipped to Marseilles two samples to be there sold on their merits, one with 6 per cent. refraction, the other cleaned down to 3 per cent. The former cost Rs. 2. 14. 4 per maund, the latter Rs. 2. 15. 11, including cost of cleaning at three pie per maund; and it remains to be seen whether the latter will command such a price as would make the repetition of the experiment on a large scale profitable. I entirely agree with Messrs. Ralli Brothers "that "improvement in the condition, or rather impurities which are contained in Indian "wheat, will result in accordance with the requirements of the consuming countries; "if they wish to receive cleaner wheat and pay for it accordingly, cleaner wheat will "be exported, because exporters will adapt themselves to the requirements of "consumers." But I differ from them when they say "at the same time this result "will also be obtained by the endeavours of the Agricultural Department in the way "of impressing on cultivators the necessity of supplying wheat as free of the "admixture of other grains as they possibly can." I think there is a tendency to attach too much importance to the influence of Government officers in such matters, at least in Bengal. Ryots, if urged by Government officers to do anything which it is their interest or inclination to do, are only too willing to accept such advice, and to shield themselves behind it; but when there is a question of doing something which it is not their interest or their inclination to do—for instance, payment of public cesses—the advice of Government officers goes for little, and their interference in matters which do not fall within their province, when not necessary, does more harm than good. Concerning the question under discussion, I have heard of a case in point in which ryots having been urged by their Sub-divisional Magistrate to sow wheat without mixture of other grains, showed their appreciation of his interference by dropping the cultivation of it altogether.

10. It appears to me that it is as unreasonable to dictate to the growers of wheat in this matter, as it would be to dictate to the shippers in Calcutta what their pecuniary interests may be, or to expect them to act in a manner opposed to those interests. But it is also as futile to blame the producers for growing other crops with wheat if they find it profitable to do so, as it is to impute blame to merchants in Calcutta for purchasing and shipping wheat mixed with dirt so long as there is a demand for dirty wheat in Europe, and adequate profit cannot be obtained by shipping clean grain. The experiment now being made by Messrs. Ralli Brothers will tend to show whether such profit can be obtained. If it should turn out that a remunerative price can be got for clean grain, then there can be little doubt that

Messrs. Ralli Brothers would ship clean wheat, that the example set by them would be followed by others, and that the refraction would thus be soon reduced. If, on the other hand, it is found that consumers in Europe prefer dirty wheat, and will not pay for a clean article, then, as the "Economist" pointed out in a note in its issue dated 16th October 1886, from which an extract is quoted in the margin,* the fault (if fault it be) will have been brought home to the right parties, and if remonstrance is to be addressed or pressure is to be brought to bear by Government on any of the parties concerned, such remonstrance would have to be addressed by Her Majesty's Secretary of State to merchants in Europe. It must, however, be remembered that it was not Government or any of its officers who first moved in this matter, but that it was the Bengal† Chamber which drew attention to the evil complained of, and requested Government to take action, and that all Government has done in reply is to point out that the action suggested is not legitimate, and that the remedy for the evil lies in the hands of the merchants either here or at home, or in the hands of the consumers in Europe. In this connection I would take this opportunity to remark, that when in a former report it was said by Mr. Allen that the employés of Messrs. Ralli Brothers had told the Manager of the Doomraon Raj to mix two maunds of dirt with every 100 maunds of wheat, it was not meant to imply that Messrs. Ralli themselves, or any of their European assistants, recommended anything of the kind, though some of their subordinates certainly did so. So far from imputing any objectionable practices to the Messrs. Ralli or their principal asistants, I have to acknowledge my thanks to them, as well as to the Chamber of Commerce, for valuable advice and information in my inquiries on this question. With regard to the experiment in shipping clean samples, now being made by Messrs. Ralli Brothers, it may be here observed that as nineteen twentieths of the wheat shipped is sold before it is bought by Calcutta shippers, the result of the sale of a small parcel of clean wheat *after arrival in Europe* must not be too readily expected to upset the conditions under which the trade has hitherto been worked. As all shipments of Indian wheat are now either approved or disapproved by home buyers after a comparison with a standard sample of average shipments made up monthly by the London Corn Trade Association, the sales of clean wheat must either be made on small samples sent home from here, or wheat, like seeds, must be analysed at home. In either case, it will be slow and difficult work to introduce a marked and sudden innovation into a well established trade.

* "The report is in answer to a Government circular, in which, amongst other things, attention was directed to the necessity of obtaining clean grain for export. It appears that at present the grain is mixed with dirt, &c., and it has also been ascertained that this is a fault that could be rectified were it not for a peculiar trade custom. The Calcutta merchants (who in their turn declare that they act under the compulsion of the merchants in England) insist, when buying wheat, upon making a 5 per cent. deduction for impurities, no matter how clean the samples may be. Consequently, the intermediary who sells takes good care that this percentage of impurity is attained, and if it should be the case that the grain he has to dispose of comes to him clean from the cultivator, he at once sets about to adulterate it by mixing two maunds of earth with every hundred maunds of grain. Although this result of their rule has been pointed out to them, the Calcutta merchants have the boldness to ask that the Government should come to their assistance. Speaking for themselves and for the Committee of the Wheat and Seed Trade Association, the Bengal Chamber of Commerce ask that 'Government 'officers should be instructed to impress upon the cultivators and middlemen 'the importance of keeping their wheat as clean as possible.'

"And no doubt it would be very pleasant for the members of those Associations, and for merchants here as well, if they were enabled to get their full 100 per cent. of clean wheat while paying only for 95 per cent. of wheat and 5 per cent. of dirt. The cultivator or Native dealer, however, naturally takes a different view of the transactions. If you want wheat, he says, you must pay for it, and if you only pay for dirt, then dirt you will have. This is only reasonable, and Mr. Finucane is quite right when he expresses the opinion that, so long as the rule of the merchants remains as at present, 'if 'Government officials interfere at all in the matter, it should be by explaining 'to the cultivators that it is in their interest to mix at least 5 per cent. of 'foreign matter with clean grain before offering it for sale.' It is a pity, however, that the Indian wheat trade should be hampered by such absurd rules, and it is desirable that it should be clearly understood here where responsibility in the matter mainly rests."—"Economist," of 16th October 1886.

† *Vide* their letter, dated the 24th July 1883, to the address of the Government of India, Revenue and Agricultural Department.

11. With a view to test the relative merits of steam threshing and threshing by having grain trodden out by bullocks, in the ordinary Native fashion, one ton of wheat was carefully weighed and passed through the steam threshing machine at Dumraon. It took 40 minutes to pass through, but the engine was not working with full power. Mr. Scott, the mechanic in charge, was of opinion that with full power the work would have been finished in half an hour. Besides Mr. Scott, a Native mechanic and six coolies were employed in working the steam thresher.

When threshed the crop was weighed, and the results were,—

	Cwts.	qrs.	lbs.
Of clean grain	8	3	3
Of cattle food	0	1	15
Of straw	5	3	14
Of chaff	4	3	20
	19	3	22

12. One ton of the same wheat was next threshed in the Native system. With 10 bullocks this work took eight hours to complete. Four coolies were employed in threshing for eight hours, and the same number in winnowing for four hours.

The cost of threshing in this case came to Re. 1. 11. Thus,—

	R.	A.	P.
Hire of 10 bullocks at 1½ anna each	0	15	0
Wages of 4 coolies for 8 hours	0	8	0
Ditto, ditto, for 4 hours	0	4	0
	1	11	0

Or, say, two annas per maund of threshed grain.

When threshed the weight of grain and straw was as follows :—

	Cwts.	qrs.	lbs.
Grain	9	2	15
Straw	9	3	0
	19	1	15

Taking the value of the steam-threshed grain, as estimated by the Chamber of Commerce, at Rs. 290. 10 per 100 maunds, and the bullock-threshed grain at Rs. 279 per 100 maunds, the financial results stand thus—

	Rs.
100 tons of unthreshed corn if threshed by steam machine will yield—	
1,200 maunds of grain with 3¾ per cent. refraction, valued at Rs. 290. 10 per 100 maunds by Chamber of Commerce (omitting fractions)	3,487
100 tons of unthreshed corn if threshed by bullocks will yield—	
1,316 maunds of grain with 9 per cent. refraction, valued at Rs. 279 per 100 maunds	3,671
Difference in favour of bullock threshing and dirt per 100 tons of unthreshed corn	Rs. 184

Against this balance in favour of bullock threshing must, however, be set off:—

	Rs.
(*a*) Cost of carriage of 116 maunds of extra dirt from Dumraon to Calcutta, at Rs. 39 per 100 maunds	45
(*b*) Extra cost of bullock threshing as compared with steam threshing, at 1 anna per maund, on 1,316 maunds	82
	127

The difference in favour of bullock threshing is Rs. 57.

It thus appears that even after making all reasonable deductions for carriage of dirt and for saving of labour by steam threshing, the balance of advantage to the ryot, according to the figures furnished by the Chamber of Commerce, would still be on the side of bullock threshing and admixture of dirt. I have taken the cost of steam threshing at 1 anna per maund, as estimated in Bombay; but as labour is cheaper in Behar, this would possibly be above the mark there. It is, however, to be remembered, on the other side of the account, that the initial cost of the machine, the interest on the capital outlay on it, the difficulty of obtaining skilled men to work it, the difficulty of providing other suitable employment for such men when the mechine is not at work, have all been left out of consideration.

13. These results are only of interest in making a comparison between the relative merits of steam threshing and threshing by bullocks, and do not affect the question of refraction. As regards the latter point, it is immaterial whether clean wheat is produced by steam threshing or any other way. The crucial question is—will clean grain, however produced, fetch a remunerative price as compared with unclean grain, and the answer would appear to be in the negative, so far as wheat threshed with Messrs. Marshall and Company's machine in Behar is concerned, at least so long as the present system of refraction continues. Further experiments with the steam thresher will, however, be made under more favourable conditions next year, and meanwhile it is hoped that improvements will be made by which, with suitable arrangement of sieves and screens, the machine will separate wheat from gram and oilseeds. There is not, however, in my opinion, the remotest chance of these machines coming into general use by ryots individually or collectively, though it is possible

that large landholders here and there may purchase a few of them if a portable machine, carefully adapted to the conditions of Indian agriculture, can be supplied. Indeed, one such landholder, who grows wheat largely in Bhagulpore, has expressed a strong desire to obtain a machine of this kind, and has explained that the loss he suffered this year, by being unable to have his wheat threshed in due time before it became damaged by a fall of rain, would more than pay for one of Messrs. Marshall and Company's machines.

14. "Connected with the question of the condition in which wheat reaches this "market is," the Chamber went on to remark, "the very important question of the "accommodation for it provided at up-country stations, especially on railways "other than the East Indian line. It is hopeless to expect to improve the hold of "Indian wheat on European market so long as there is nothing at certain times to "prevent its reaching Calcutta weather damaged. The absence of proper and "sufficient accommodation at railway stations for receiving wheat has mulcted "shippers in very heavy allowances, and is one of the main causes of bringing Indian "wheat into disfavour with home consumers. The wheat season extends from April "to October, and as soon as the rains set in the lack of proper accommodation "results in a portion of nearly every parcel arriving damaged. Not only is the "shelter insufficient, but in many cases the railway platforms are not raised to the "point of safety from casual inundations. The railways endeavour to protect "themselves by granting to a consignor clear railway receipts against his indemnity "note. This practice, when regard is had to the short time allowed at Howrah for "the examination of wheat by consignees, and also to the limited facilities they enjoy "for such an examination, results in large quantities of damaged goods passing "undetected, to the manifest and serious loss of shippers.

"The Committee of the Chamber of Commerce would in the best interest of the "wheat trade bring this question of the accommodation at up-country stations "very strongly to the attention of His Honour the Lieutenant Governor."

15. The complaints to which reference is here made relate, I believe, principally to up-country stations beyond the territories subject to the Lieutenant Governor of Bengal; but it would no doubt be very desirable to provide further accommodation at Howrah and to allow greater facilities there for examination of wheat by consignees. The authorities of the East Indian Railway are fully alive to the importance of this question, and are, it has been ascertained, in correspondence with the Government of India regarding it.

16. In my report, dated 7th July 1876, attention was called to the superiority of Buxar wheat to that locally grown in Bhagulpore.

Buxar seed was accordingly tried in many districts, and samples of the grain thus produced were sent to the Chamber of Commerce, together with samples of local grain, and their values were appraised. The results are not everywhere as satisfactory as might have been expected, but the quality of the Buxar grain is almost everywhere superior to that locally produced. Further supplies of this seed are now being asked for. The best grain produced in Bengal and Behar is that sent by the Manager of the Deo Raj in Gya, who will be asked to furnish more of this grain for seed.

I have, &c.,
M. FINUCANE,
Director of the Agricultural Department in Bengal.

From M. Finucane, Esq., to Messrs. Ralli Brothers, Messrs. Vale King & Co., and Petricochino & Co., dated Calcutta, the 2nd April 1887.

It has been proposed to introduce wheat steam threshing machines in Doomraon by which clean wheat can be produced. The Manager of the Doomraon Raj is willing to try one of these machines and produce pure wheat, if he can obtain a higher price for it than he would receive for the *same* grain mixed with dirt. I beg to inquire whether you are prepared to give a higher price for perfectly clean wheat grain than for the same quality of grain with an admixture of 5 per cent. of dirt. I should be glad to discuss the subject with any person whom you may depute to my office to-day between 3 and 4.

From Messrs. Ralli Brothers to M. Finucane, Esq., Director of the Agricultural Department, Bengal, dated Calcutta, the 2nd April 1887.

We are in receipt of your letter of date, and in reply beg to inform you that the Manager of the Doomraon Raj had a long interview with us two or three months ago, when we explained the matter fully to him.

We told him that the most practical way for him to dispose of this question is to send us large samples of wheat with various admixtures, when we would make him our offer for each quality.

In a general way, we say that the clean wheat could obtain a higher price than the dirtier one; but the price paid will also depend on the special outlet which may exist at the time for the clean wheat. If the Manager of the Dumraon Raj is ready to offer us to-day clean wheat, stating the admixture and quality, then, if the price asked for is not too high as compared with the price asked for 5 per cent. stuff, we might see with our home friends whether there is any chance of doing business in wheat thus cleaned down.

From Messrs. Vale King & Co. to M. Finucane, Esq., Director of the Agricultural Department, Bengal, dated Calcutta, the 2nd April 1887.

In reply to your favour of date, we shall be pleased to forward to London a sample of pure wheat, with the object of being able later on to offer you a better price for such wheat than we can at present.

We must either sell in London on standard sample of No. 2 Club, &c, or, for a specially good quality, on a sample submitted by the seller.

Our experience goes to show that the home buyers prefer buying on the ordinary standards to paying an extra price for a special quality; but we shall willingly try and introduce the better quality you propose into the London market.

We regret that Mr. Petrie cannot wait on you to-day; but if you will appoint a time next week, other than on Tuesday, Wednesday, or Friday afternoon, he will be happy to discuss the subject with you.

[Mr. Petrie afterwards did discuss the subject, and informed me that he could not guarantee a higher price, and added that Government might do something towards getting merchants in England to give higher prices for clean grain by introducing a new brand of wheat cleaned to 2 per cent. Messrs. Petricochino referred me to the Chamber of Commerce, and gave no further reply.—M. F.]

From Messrs. Ralli Brothers to M. Finucane, Esq., Director of the Agricultural Department, Bengal, dated Calcutta, the 23rd May 1887.

We have received the two samples you mention in your letter dated 18th May, and have to report on them as follows:—

1st. *Wheat threshed by the ordinary Native method.*—This sample contains too many red grains, viz., 35 per cent. and 65 per cent. white, whilst good Buxar quality should contain about 20 per cent. red and 80 per cent. white.

This sample would be worth to-day Rs. 2. 13. 6 per maund, whilst good quality wheat would be worth about Rs. 2. 14. 6.

The refraction of this sample is $5\frac{1}{8}$ per cent., so that if a seller delivers such wheat against a contract with 5 per cent. refraction, he would have to pay an allowance for the $\frac{1}{8}$ per cent. excess refraction.

2nd. *Steam-threshed wheat.*—This wheat is spoiled by the machine, many grains being broken, and we would not ship such wheat, as it would pay an allowance at home.

The refraction is $1\frac{7}{8}$ per cent.; but if this wheat were delivered against a contract allowing 5 per cent. refraction, the seller would obtain no advantage from the lower refraction it contains.

If, however, the wheat were sold on a sample, and it did not contain the broken grains above referred to, it would obtain a higher price than the sample containing $5\frac{1}{8}$ per cent. refraction.

It is impossible to fix exactly the relatively higher value of the clean wheat until the requisite records have been received from the consuming countries; and all we can say at present is that, in a general way, the wheat, if not broken, would fetch a

better price if sold on a guaranteed sample, or if the seller guaranteed by contract the lower refraction which the sample contains.

We do not know what opinion you will receive from the Association, as we are not members. The above is our opinion.

From G. M. Barton, Esq., Assistant Secretary, Wheat and Seed Trade Association, to M. Finucane, Esq., Director of the Agricultural Department, Bengal, dated Calcutta, the 2nd June 1887.

I am desired by the Committee of the Wheat and Seed Trade Association to acknowledge receipt of your letter of the 18th ultimo to Mr. Clarke, and also receipt of the two bags of wheat produced at Doomraon, in the Buxar sub-division, one steam-threshed, and the other the same grain threshed by the ordinary Native process.

In your letter you ask the Committee to appraise both, and to let you know their relative values, with their opinion on them generally.

In reply, I beg to say that the Committee have carefully examined the wheat in each of the two bags, and I am directed to send you the following report, which embraces their opinion upon each of the two descriptions.

The bullock-threshed sample refracts 9 per cent., of which $8\frac{3}{4}$ per cent. is mud and other grain, and $\frac{1}{4}$ per cent. damaged and withered grains. Wheat with such an admixture is practically unmerchantable for export, and it is difficult to put a value on it as it is.

The sample of steam-threshed wheat refracts $3\frac{3}{4}$ per cent. according to the usual system of refraction, but of this $1\frac{5}{16}$ per cent. only consists of damaged grains and substances other than wheat, and $2\frac{7}{16}$ consists of grains crushed and broken by the machinery. This broken and crushed wheat is very unsightly in the sample, and would probably detract considerably from its value in the home market.

The colour is considerably inferior to good Buxar No. 1 Club, being very yellow, and the sample is much mixed with red grains. This wheat would not pass in this market as average Buxar No. 1 Club, and it is difficult to place an exact value on it; but, if sold on sample, it would probably fetch about 1 anna per maund less than average Buxar, or say, in the present market, Rs. 2. 14. 6 per maund. It is doubtful whether, with its present admixture of crushed and broken grains, this wheat would sell for a better price than the same quality with an ordinary admixture of 5 to 6 per cent.

With reference to your inquiry as to what difference in price would a hundred maunds of the steam-threshed grain fetch over the sample threshed in the ordinary way, I am directed to give you the following figures :—

	R.	A.	P.
100 maunds steam threshed, at Rs. 2. 14. 6 - - -	290	10	0
100 maunds ordinary threshed, at Rs. 2. 14. 6. Less 4 per cent. excess refraction - -	279	0	0
Difference - - -	Rs. 11	10	0 per 100 mds.

I return the bag of wheat as requested, and I also send you, by desire of the Committee, a sample of a good delivery of Buxar No. 1 Club, and a sample of the Committee's standard of May shipments of No. 2 Club, Cawnpore-Lucknow quality, which may be of use for purposes of comparison.

From Messrs. Ralli Brothers, to M. Finucane, Esq., Director of the Agricultural Department, Bengal, dated Calcutta, the 21st July 1887.

In reply to your last inquiry, what we have done is this :—

We wished to see in a practical way the comparative value on this side and at home of cleaner wheat as compared to the average run of the dirtier stuff which is procurable.

As this cannot be so satisfactorily ascertained by bulky samples only, we instructed our Agency at Buxar to purchase a parcel of wheat and despatch to us one portion of it in its natural uncleaned state, and the other portion after having reduced the refraction contained in it (viz., everything which is not wheat) as much as they could.

Our Agency has done this, and they sent us down two parcels, thus handled, of some 100 bags each.

At the same time we have received the respective invoices, and the result is the following :—

The wheat bought contained about 6 per cent. refraction.

The parcel despatched in its original state, viz., with 6 per cent. refraction, costs us, arrived at Howrah, Rs. 2. 14. 4 per bazaar maund

The parcel despatched after having been cleaned down to about 3 per cent. costs us, arrived at Howrah, Rs. 2. 15. 11 per bazaar maund.

The extra cost, therefore, of the cleaner wheat came to 1 anna 7 pie per maund, which is equal to about $10\frac{3}{4}d.$ per quarter at home.

The expense of cleaning, taken by itself, is not a very heavy one, because it comes to about 3 pie a maund; but the final expense is so very much enhanced on account of the incidental expenses in the shape of importing into godown, storing, repacking, exporting, &c., &c., which are incurred, and which, but for the cleaning, would be saved, and of course also by the lost of weight incurred, viz., 3 per cent., whilst the expenses saved by not shipping this 3 per cent. are small only.

The original parcel was cleaned by hand labour, and was cleaned twice; but in spite of this the refraction was not reduced to less than 3 to $3\frac{1}{4}$ per cent. on account of the food grains which it contained, chiefly kessary and mussoory, which cannot be got rid of because they are of about the same size and weight as the wheat.

If we were to apply extensively the system of cleaning wheat, we might be able to improve matters somewhat, but not to any really appreciable extent.

The above parcels we are shipping to Marseilles, and when they arrive there they will be sold on their merits, and we shall know then what the actual result of the experiment will be; but as the extra cost of the cleaned wheat, which I give you above, is equal to quite half a franc per 100 kilos, we do not expect to obtain in Marseilles a higher price such as to compensate for the higher cost, and besides this, though the experiment made is a very practical one, it would require to be repeated so as to form a definite conclusion. Besides, we cannot depend on having always a regular outlet for this wheat.

As I know that you take much interest in this question, I thought that you would like me to explain to you what we have done in a detailed way.

As regards the general question of Indian wheat on this side of India, nothing fresh has been done lately, and wheat continues to be shipped in the same way as previously.

As you know, my opinion on this subject is that an improvement in the condition, or rather in the amount of impurities which are contained in the wheat shipped will result in accordance with the requirements of the consuming countries, viz., if they wish to receive cleaner wheat and pay for it accordingly, cleaner wheat will be exported, because exporters will always adapt themselves to the requirements of the consumers.

At the same time, however, this result will also be obtained by the endeavours which the Agricultural Department will continue in the way of impressing on cultivators the necessity of supplying wheat as free of the admixture of other grains, &c., as they possibly can, because, as you will see also from what I write above of the experiment we made at Buxar, it is quite clear that whilst dust and such like matters can be extracted from the wheat, the edible grains, &c., which the wheat contains cannot be equally so, and these grains constitute a great proportion of the admixture.

In conclusion, my opinion is that the supplying of cleaner wheat cannot be forced upon either shippers or cultivators; but that whilst the former will conform themselves to the requirements of trade, the tendency of which is to receive purer wheat, the latter should continue to be urged by Government to bring down their wheat in

a purer condition by restricting, as much as possible, the present system of sowing mixed crops and the like.

I shall be obliged by your informing me whether the information I give you is all that you require at present.

Report on Impurities in Indian Wheats. No. 2.

Clifton House, Greenwich Park, S.E.,
13th November 1888.

Sir,

In continuation of my letter of the 22nd August last, and with reference to your letter of the 22nd September following, I have now the honour to submit the accompanying tabular statements, showing the percentage of admixture of white and red grains, and of dust, dirt, and seeds, and also the amount of weevilled and otherwise damaged grain in the monthly average samples of the various denominations of Indian wheats imported into England last year. Similar analyses of other wheats are also added for the purpose of comparison. (See Appendix A.)

I was most kindly supplied by the London Corn Trade Association with their monthly standard samples, which are drawn from the Indian wheats arriving in Great Britain, and forwarded to London for this purpose; and I was also kindly supplied by the Liverpool Corn Trade Association with their sample of choice white Bombay wheat.

I have carefully retained all the samples and the separated portions, and shall be prepared to submit them for your inspection.

The white wheats, when separated from all admixture, are of a very fine quality, equal to the finest in the world, and if they could be so shipped, would command the highest price.

The importance of shipping wheats free from adulteration cannot be expressed in better terms than in the letter of the Honourable F. Forbes Adam to Lord Reay, and I would suggest that it should be published with this Report. (See Appendix B.)

Buyers of Indian wheats are under the impression that they cannot obtain them otherwise than in their present foul condition, and many supply themselves with early shipments only, by steamer, for their immediate requirements, and *viâ* the Cape to arrive later. The analysis points to the intentional admixture of impurities in the later months of the year.

I have heard it stated that French buyers obtain Indian wheats in a superior condition and at a higher price than we do. I would suggest that inquiries be made and samples obtained from Marseilles to ascertain if this is so.

I am, Sir,
Your obedient Servant,
JOHN M'DOUGALL, F.C.S.

The Under Secretary of State
for India.

APPENDICES.

APPENDIX A.

TABLE No. 1.

Indian Wheats imported from Calcutta.

Description of Wheat.	Date.	Red.	White.	Admixture.					Weevilled.	Damaged.	Total Loss.
				Dust.	Dirt.	Seeds.	Barley, Oats, or Rye.	Total.			
	1887.										
No. 1 Club Calcutta (White) -	May -	16·4	80·4	·9	·7	1·4	·2	3·2	·1	·2	3·5
" " " -	June -	19·1	77·1	·1	1·4	1·8	·5	3·8	·8	·3	4·9
No. 2 Club Calcutta (White) -	March -	21·3	77·1	·5	—	·6	·5	1·6	—	2·3	3·9
" " " -	April -	31·1	66·2	1·1	—	·6	1·0	2·7	—	4·1	6·8
" " " -	May -	25·8	71·0	·4	·4	·9	1·5	3·2	·3	1·2	4·7
" " " -	June -	35·1	62·0	·8	—	·9	1·2	2·9	—	·9	3·8
" " " -	July -	44·8	50·0	1·6	·5	1·9	1·2	5·2	·7	—	5·9
" " " -	August -	42·8	50·2	3·0	·2	2·2	1·6	7·0	2·0	1·3	10·3
" " " -	September	39·1	56·2	·9	·5	1·7	1·6	4·7	3·5	·6	8·8
" " " -	October -	37·5	58·0	1·5	·4	2·0	·6	4·5	2·2	·8	7·5
" " " -	November	35·0	59·1	1·7	·8	2·2	1·2	5·9	5·1	1·4	12·4
Hard Calcutta - - -	April -	37·8	58·8	·7	1·2	·6	·9	3·4	—	·4	3·8
" " - -	May -	41·5	55·0	·8	1·1	·8	·8	3·5	·1	·2	3·8
" " - -	June -	39·4	58·4	·3	·4	·8	·7	2·2	·7	·8	3·7
" " - -	October -	31·2	63·2	3·9	·4	·9	·4	5·6	2·2	·3	8·1
" " - -	November	38·2	53·3	6·6	·6	·9	·4	8·5	4·2	1·4	14·1
" " -	December	31·1	66·0	·5	·4	·9	1·1	2·9	5·7	1·0	9·6
Soft Red Calcutta - -	April -	93·8	1·8	1·3	1·2	1·1	·8	4·4	—	·4	4·8
" " - -	May -	90·5	5·6	·9	·8	1·3	·9	3·9	·2	·6	4·7
" " -	June -	87·7	7·4	1·7	·6	1·1	1·5	4·9	1·3	·8	7·0
" " - -	July -	89·9	2·7	4·8	·5	·7	1·4	7·4	·8	—	8·2
" " - -	August -	90·5	3·8	1·6	·5	1·2	2·4	5·7	3·2	·2	9·1
" " - -	September	91·3	4·2	1·3	·6	1·0	1·6	4·5	3·7	·7	8·9
" " - -	November	88·8	5·1	1·5	·7	1·8	2·1	6·1	6·1	·5	12·7
" " - -	December	91·3	4.8	·8	·8	1·3	1·0	3·9	5·3	·4	9·6

TABLE No. 2.

Indian Wheats imported from Bombay and Karachi.

Description of Wheat.	Date.	Red.	White.	Admixture.					Weevilled.	Damaged.	Total Loss.
				Dust.	Dirt.	Seeds.	Barley, Oats, or Rye.	Total.			
	1887.										
Choice White Bombay -	February -	4·5	94·1	·1	1·1	·2	—	1·4	—	·5	1·9
No. 1 Club Bombay (White) -	April -	10·1	87·2	·7	1·3	·7	—	2·7	·1	·4	3·2
" " " -	May -	11·5	86·4	·4	1·4	·3	—	2·1	—	·2	2·3
" " " -	June -	10·6	86·8	·4	1·8	·4	—	2·6	—	·6	3·2
" " " -	July -	11·6	84·8	1·3	1·4	·9	—	3·6	·5	·7	4·8
" " " -	August -	11·1	86·5	·9	·5	1·0	—	2·4	·5	·4	3·3
" " " -	September	10·5	87·7	·7	·6	·5	—	1·8	2·4	·8	5·0
" " " -	October -	12·0	85·4	·6	·9	1·1	—	2·6	4·2	·9	7·7
" " " -	November	12·6	82·9	2·1	1·5	·9	—	4·5	1·4	·4	6·3
" " " -	December	10·9	86·8	·4	1·1	·8	—	2·3	·7	·6	3·6
Soft Red Bombay - -	April -	97·8	·4	·4	1·4	—	—	1·8	—	—	1·8
" " - - -	May -	97·5	·9	·9	·7	—	—	1·6	—	—	1·6
" " - -	June -	96·2	1·5	1·1	1·2	—	—	2·3	—	—	2·3
Hard White Bombay - -	April -	21·1	77·8	·2	·8	·1	—	1·1	—	—	1·1
" " - -	August -	16·8	81·7	·4	1·1	—	—	1·5	·6	—	2·1
Hard Red Bombay - -	March	97·4	·8	·8	1·0	—	—	1·8	—	·3	2·1
" " - -	April -	96·7	1·7	·4	1·1	·1	—	1·6	—	·6	2·2
" " - -	July -	95·7	1·6	·3	1·9	·5	—	2·7	—	·5	3·2
Red Club Bombay - -	June -	73·2	24·0	·4	1·8	·6	—	2·8	·2	·6	3·6

TABLE No. 2—*continued.*

Description of Wheat.	Date.	Red.	White.	Admixture.					Weevilled.	Damaged.	Total Loss.
				Dust.	Dirt.	Seeds.	Barley, Oats, or Rye.	Total.			
	1887.										
White Jubbulpur - -	July -	15·0	81·8	·6	1·0	1·6	—	3·2	—	·4	3·6
White Delhi - - -	May -	23·2	73·7	·9	·2	·8	1·2	3·1	—	·4	3·5
" " - -	June -	19·0	77·1	1·0	·3	1·1	1·5	3·9	·2	·5	4·6
" " -	July -	15·9	78·6	·5	1·1	·7	3·2	5·5	·5	·6	6·6
Red Delhi - - -	July -	93·4	·9	·9	·7	·6	3·5	5·7	·5	·7	6·9
Athara (Red) - -	February -	96·8	·6	·6	1·4	·6	—	2·6	3·4	1·9	7·9
" " - -	March -	95·4	1·0	1·5	1·6	·5	—	3·6	—	—	3·6
" " - -	April -	94·8	1·1	2·1	1·5	·5	—	4·1	—	·4	4·5
" " - -	May -	97·0	·3	·5	1·7	·5	—	2·7	—	—	2·7
White Karachi - -	July -	17·1	78·3	·8	·7	·8	2·3	4·6	·3	·7	5·6
" " - -	October -	34·3	58·2	1·2	·4	·8	5·1	7·5	1·7	·6	9·8
" " - -	December	19·2	70·5	·8	·5	·4	8·6	10·3	1·3	·6	12·2
Red Karachi - -	July -	86·0	6·6	·6	·6	1·0	5·2	7·4	·2	·3	7·9
" " - - -	December	79·4	12·1	·2	·6	—	7·7	8·5	·8	—	9·3

TABLE No. 3.

European Wheats.

Description of Wheat.	Date.	Red.	White.	Admixture.					Weevilled.	Damaged.	Total Loss.
				Dust.	Dirt.	Seed.	Barley, Oats, or Rye.	Total.			
English White - - -	1888 -	2·4	97·5	—	—	·1	—	·1	—	·3	·4
" Red - - -	" -	97·0	2·7	—	—	·3	—	·3	—	·2	·5
Konigsburg (Red) - -	" -	98·5	·2	—	—	·4	·9	1·3	—	1·5	2·8
Danzig (White) - -	" -	27·4	71·3	·1	·1	·5	·6	1·3	—	·8	2·1
Russian :—											
St. Petersburg (Red) - -	" -	98·2	—	·1	—	1·0	·7	1·8	—	2·8	4·6
Taganrog Azima (Red) -	1887 -	95·8	·3	—	·2	·1	3·6	3·9	—	·3	4·2
" " " - -	" -	89·8	—	—	·1	·5	9·6	10·2	—	·5	10·7
" Hard " - -	" -	52·8	44·1	·1	·4	·2	2·4	3·1	—	·6	3·7
Ghirka - " - -	" -	98·1	—	·2	·2	·9	·6	1·9	—	1·3	3·2
Common Odessa " - -	" -	91·2	—	·5	—	1·6	6·7	8·8	—	3·8	12·6
Egyptian Saida (White) - -	" -	46·0	42·2	·3	6·4	·6	4·5	11·8	·5	·1	12·4

TABLE No. 4.

American and Australian Wheats.

Description of Wheat.	Date.	Red.	White.	Admixture.					Weevilled.	Damaged.	Total Loss.
				Dust.	Dirt.	Seeds.	Barley, Oats, or Rye.	Total.			
American:—											
No. 1 Hard Duluth (Red) -	1887 -	98·5	·2	·3	—	·8	·2	1·3	—	·9	2·2
Duluth - „	„ -	98·1	·4	·6	—	·9	—	1·5	—	·2	1·7
Red Winter - - -	„ -	98·7	·2	·3	—	·8	—	1·1	—	1·0	2·1
„ „ No. 2 - -	„ -	98·7	·2	·2	—	·6	·3	1·1	—	1·8	2·9
„ Chicago No. 2 - -	„ -	96·7	2·0	·6	—	·5	·2	1·3	—	·4	1·7
„ Hard Spring No. 1 -	„ -	98·8	·3	·2	—	·6	·1	·9	—	·2	1·1
„ Springs No. 2 - -	„ -	97·8	1·0	·3	—	·6	·3	1·2	—	1·1	2·3
Red North West Springs No. 2	„ -	98·6	·1	·3	—	·5	·5	1·3	—	·8	2·1
„ Milwaukie Springs No. 2 -	„ -	97·0	·8	·8	—	1·0	·4	2·2	—	2·1	4·3
Oregon - (White)	„ -	2·3	97·0	—	—	·2	·5	·7	—	—	·7
Californian No. 1 - „	„ -	5·3	93·3	—	—	·7	·7	1·4	—	·1	1·5
„ No. 2 - „	„ -	6·5	87·8	—	—	2·8	2·9	5·7	·1	·5	6·3
„ Amber No. 1 „	„ -	3·0	92·9	—	—	·8	3·3	4·1	—	·2	4·3
„ „ No. 2 „	„ -	9·2	81·7	—	·1	2·5	6·5	9·1	—	·4	9·5
Chilian - - - „	„ -	15·5	82·5	·2	·1	1·7	—	2·0	—	1·1	3·1
Australian Melbourne - „	1888 -	1·4	97·8	·1	—	·7	—	·8	—	·3	1·1
„ South Australian „	„ -	1·2	97·9	—	·1	·8	—	·9	—	·2	1·1
New Zealand:											
Round - - „	„ -	27·7	72·1	—	—	—	·2	·2	—	·1	·3
Long - - - „	„ -	2·4	96·8	—	—	·8	—	·8	—	—	·8

APPENDIX B.

Letter from the Honourable F. FORBES ADAM to His Excellency the GOVERNOR OF BOMBAY.

Bombay.
25th August 1888.

Dear Lord Reay,

As regards wheat adulteration, about which you write, I regret to say that little progress has been made in the right direction since I first pressed the matter on the attention of the Chamber of Commerce some years ago. We have within the last few months moved forward, but the position is not yet satisfactory. The fault lies not at the door of the Bombay exporters, but with millers, buyers, and corn trade associations in England. The truth is people in England do not and cannot be expected fully to realize the drawbacks caused to the India wheat trade by having to ship dirty wheat, nor can they understand the importance to India, in her competition with other exporting countries (America and Russia chiefly), of getting rid of what is actually a tax, and which operates in the same way as an export duty, or nearly so,—I mean the railway carriage from the interior to the sea coast, and the sea freight from the port of shipment to the consuming country, of 4 per cent. of purely useless dirt. I showed by figures that in 1885 the tax was equal to about 1¼ per cent. on the value of the wheat shipped.

But the importance is brought home to us here, and I am satisfied that all leading export houses would heartily welcome a change to a healthier basis of operations. Practically Indian wheat, under present circumstances, cannot be shipped quite free from dirt and impurities, but it would be quite possible to conduct the business on a 2 per cent. basis, and this I have been endeavouring to bring about.

At a meeting of the Chamber of Commerce on 9th April last, the subject was very fully discussed, and it was resolved again to address the London and Liverpool Corn Trade Associations, begging them to fix the refractions on all sale contracts of wheat if "not over 2 per cent," as Bombay shippers were anxious to improve the name of India wheat, and also remove the disadvantages that accrued from shipping large admixtures of dirt, &c. The Associations were urged to assist us in the matter. The reply from the London Association reached us in May last. It was to the effect

that members having fully considered the representations of the Bombay Chamber were not able to adopt the proposals made, as buyers in England had made no objection to the existing form of contract, and sellers were divided in opinion.

The response of the Liverpool Association was, I am happy to say, more satisfactory. It arrived only a few weeks ago, and is dated 12th July. It said that members were desirous of meeting the views of the Bombay Chamber, and had decided to alter the standards of wheat on which sales were made, and that these standards would in future contain only "2 *per cent. of dirt, seeds, and grain other than* "*wheat.*"

This is how the trade stands to day, so far as Bombay is concerned, and I am not without hopes that before long the London Association will reconsider their decision and follow the commendable example of the Liverpool body.

As you know, exporters have to ship quality equal to what is sold. If the English Association decided to buy only pure wheat, the Bombay merchants would have to ship it. But as, unfortunately, the Associations seem to prefer to buy wheat with 4 per cent. of dirt in it, the Bombay merchant has no say in the matter, but must supply what is wanted or stop his business.

Any other information you may wish I will gladly supply.

Believe me,
Yours sincerely,
(Signed) F. FORBES ADAM.

Report on Impurities in Indian Wheats. No. 3.

Greenwich,
Sir, 25th March 1889.

I have to acknowledge the receipt of your letter of the 25th February, stating that you have received replies from the millers and Chambers of Commerce to the questions issued with my last report on the impurities of Indian wheats. Appendix A.

Sir George Birdwood has forwarded these replies to me, together with an analysis of them.

The Circular Letter of Mr. J. A. Godley, C.B., of the 31st December 1888, enclosing a copy of a form of six questions (Appendix B), was addressed to 732 of the principal millers in the United Kingdom; up to the date of this report 510 millers (Appendix C) have returned the forms duly filled up, and Mr. B. J. Rose's very carefully prepared analysis of their replies is given below.

"*Question* 1. Do you use Indian wheat in quantity?

249 millers state that they use Indian wheat in quantity.

259 millers only use Indian wheat in limited quantity.

2 do not reply to this question."

"*Question* 2. If not, are you prevented from so doing by its impurities?

348 millers state that they are partly prevented from using Indian wheats in consequence of its impurities.

41 millers having the necessary machinery to deal with the dirt, &c., are not prevented from using Indian wheat.

121 do not reply to this question."

"*Question* 3. Would you use larger quantities if free from admixture and impurity?

461 millers state that they would use a much larger quantity of Indian wheat if they could obtain it in a clean state.

27 millers state that even if clean they could not use a larger quantity of Indian wheat.

22 do not reply to this question."

"*Question* 4. Is the admixture of red wheat with white wheat of serious consideration to you?

229 millers state that the admixture of red (or hard) with white (or soft) wheat is of serious importance to them, as the red hard wheat can only be reduced by 'roller mills.'

256 millers, most of whom have "roller mills," are indifferent as to the admixture.

25 do not reply to this question."

"*Question* 5. The shipments in the later months of the year show considerable increase of impurities. Do you in preference secure the earlier shipments; and, if so, do you pay a higher price for the same?

322 millers state that they prefer the early shipments and pay higher prices for them.

16 state that they are indifferent, it being merely a question of relative values.

172 do not reply; most of these millers dealing indirect with merchants are unable to give an opinion."

"*Question* 6. Would you approve of a form of contract limiting the admixture of dirt, seeds, and grain other than wheat to 2 per cent. in preference to the present 'F. A. Q.' form?

429 millers express their warm approval of a form of contract limiting the admixture to 2 per cent.

4 millers are against any alteration.

77 who do not reply are mostly millers unacquainted with the form of purchase; they buy locally from merchants."

A number of interesting extracts from the more important general remarks made by the millers after the answers to the questions are given in Appendix D.

It can now no longer be stated that buyers in England have made no objection to the existing form of contract.

I have made diligent inquiries on the market, and have to report a very general desire for a change of form of contract, to secure a supply of clean wheat. Great pleasure is expressed that Viscount Cross and the Indian Council have taken up the matter, and the opinion is largely held that it should now be pressed to a satisfactory conclusion, even to the extent, if necessary, of an Act being passed to make it a fraud to deal in wheats containing an excessive amount of seeds and dirt, as was the case in cotton.

Clean Indian wheats are particularly useful to English millers. Damp English wheats can readily be put into condition by mixing with the dry Indian wheats which absorb the excessive moisture and so benefit both.

There is an important national reason why wheats from India should be shipped in a clean condition, viz., that, in case of war, all sources of European wheats might be stopped, and it would be desirable that wheats should be shipped from our Colonies in a condition fit for immediate use. It would be quite impossible to grind for human food the dirty wheat now shipped from India by itself uncleaned.

It has been stated that those millers who have already provided themselves with extensive machinery for cleaning wheats would object to the change, but on looking through the replies I find, with hardly an exception, that they express a strong wish to have clean wheat.

Most other products from India are shipped in a better condition than wheat.

Rice is perfectly free from all admixture, except its own husk.

Linseed, some years ago, arrived mixed with a large percentage of dirt, but a new contract form, limiting all admixture to 4 per cent., was adopted, and now linseed arrives in a clean condition.

Cotton was shipped in a very dirty condition until the authorities interfered to prevent the admixture of impurities, and passed the Bombay Cotton Frauds Act of 1863 and 1878; this Act has since been repealed, and I have been informed by a cotton broker that he could tell by the altered condition of shipment the month that the Act was withdrawn.

The replies from the Chambers of Commerce show that they do not take a very direct interest in grain. Those who do reply approve of the effort now being made to import clean wheat. The reply from the Cardiff Chamber expresses the conviction that "the present fair average quality form is a direct incentive to ship impurities, "and that the only solution of the difficulty is a permanent percentage standard, "which the quantities of extraneous matter must not exceed."

This view is undoubtedly the correct one, and is the cause of all the admixture being made.

In looking through the grain contract forms from other countries I find that *Australia* and *New Zealand* are the only countries which ship entirely upon the fair average quality system, but there has never been any admixture of dirt.

California ships equal to official sample, in good condition.

Chili ships equal to official sample, in good condition.

America (Atlantic States) ships on graded sample, in good condition.

La Plata ships, upon marked sample, in good condition.
The *Black Sea* is nearly all upon sample.
The *Baltic* is all upon sample.
Russian barley is now sold upon what is known as the Bristol clause which limits the amount of admixture to 3 per cent.

The very interesting letter addressed to Viscount Cross by Messrs. Marshall Sons & Co. (see Appendix E) very fully confirms the information we have as to the actual mixing of dirt with wheat, and it was admitted to me a few days ago, by a shipper of wheat from India, that they bought wheat in the latter months of the season with 6 per cent. of dirt, and relied for their profit upon this percentage of dirt.

The replies now received conclusively prove,—

1. that the impurities in Indian wheats greatly restrict their use;
2. that clean Indian wheats are much desired, and would cause a largely increased demand and a higher price;
3. that millers earnestly desire a new contract form limiting admixture to under 2 per cent.

And I have now to suggest several means which would ensure the object aimed at:—

1. by the mutual consideration of the subject by the Indian Council and by representatives from the various corn trade Associations;
2. by the formation of a syndicate to purchase and export clean Indian wheats;
3. by the intervention, should it be found necessary, of the Government of India, to make it fraudulent to deal in or export grain to be used for human food in any way adulterated.

I am sanguine that the first of these suggestions may of itself prove successful in bringing about the desired reform, as I cannot but think that the selfish interest of a few large firms must give way to the unanimous desire of the millers of this country, and to the great ultimate benefit of all concerned.

But, if not, I do not hesitate to strongly advise that the third of these suggestions should be promptly adopted.

In connection with this inquiry, I think the fact should not be overlooked that Italy, France, and Belgium are buyers of the better class Indian wheats, and if these wheats were clean there is no doubt this portion of the trade would receive a great impulse, as on the Continent they are less able to deal with the impurities than we are here, and consequently only the high class wheats are in demand.

I am, Sir,
Your obedient servant,
JOHN M'DOUGALL.

The Under Secretary of State
for India.

APPENDIX A.

Letter from the Under Secretary of State for India to
John M'Dougall, Esq., C.C.

India Office, Whitehall, S.W.,
25th February 1889.

Sir,

In continuation of my letter of the 15th December last, I am directed by the Secretary of State for India in Council to inform you that the replies of the millers and Chambers of Commerce of the United Kingdom to the questions prepared by you on impurities in Indian wheats have now been received; and Sir George Birdwood has been directed to submit them to you for report before they are forwarded to the Government of India.

I am, Sir,
Your obedient servant,
J. A. GODLEY.

APPENDIX B.

Copy of Circular Letter of the Under Secretary of State for India addressed to 732 Millers.

R., S., & C. 1602.

India Office, Whitehall, S.W.,
31st December 1888.

Sir,

I am directed by the Secretary of State for India in Council to forward to you the enclosed copy of a Report by Mr. John M'Dougall, late of Messrs. McDougall Brothers, 10, Mark Lane, on Impurities in Indian Wheats; and to say that Viscount Cross will be greatly obliged by your replying to the accompanying questions relating to the same, and for any further remarks on the subject with which you may be pleased to favour His Lordship.

I am, Sir,
Your obedient servant,
J. A. GODLEY.

Enclosure to Mr. Godley's Letter of the 31st December 1888.

Impurities in Indian Wheats.

Question 1. Do you use Indian wheat in quantity?
Answer.

Question 2. If not, are you prevented from so doing by its impurities?
Answer.

Question 3. Would you use larger quantities if free from admixture and impurity?
Answer.

Question 4. Is the admixture of red wheat with white wheat of serious consideration to you?
Answer.

Question 5. The shipments in the later months of the year show considerable increase of impurities. Do you in preference secure the earlier shipments; and, if so, do you pay a higher price for the same?
Answer.

Question 6. Would you approve of a form of contract limiting the admixture of dirt, seeds, and grain other than wheat to 2 per cent., in preference to the present F. A. Q. form?
Answer.

Remarks.

Address _____

_____

(Signature) _____

Date _____

_____

APPENDIX C.

Number and Distribution of the Millers to whom Mr. M'Dougall's Report No. 2 was submitted.

England and Wales.

County.	Number of Forms sent.	Number of Forms returned.	County.	Number of Forms. sent.	Number of Forms returned.
Bedford	5	5	Leicester	6	4
Berkshire	11	7	Lincoln	22	18
Bucks	3	2	Merioneth	1	1
Cambridge	5	4	Middlesex	10	6
Carnarvon	6	3	Monmouth	7	3
Cheshire	17	13	Montgomery	1	1
Cornwall	9	8	Norfolk	10	8
Cumberland	9	7	Northampton	10	6
Denbigh	3	2	Northumberland	7	6
Derby	16	7	Nottingham	15	11
Devon	15	7	Oxford	7	7
Dorset	5	3	Rutland	1	1
Durham	25	16	Shropshire	8	5
Essex	15	9	Somerset	10	6
Flint	3	2	Stafford	19	12
Glamorgan	3	1	Suffolk	8	5
Gloucester	24	21	Surrey	14	10
Guernsey	1	1	Sussex	7	6
Hampshire	12	9	Warwick	16	11
Herefordshire	8	8	Wiltshire	15	12
Hertfordshire	6	2	Worcester	13	7
Huntingdon	4	4	Yorkshire	103	77
Isle of Man	1	1			
Kent	18	14	Total	597	428
Lancashire	63	50			

Scotland.

County.	Number of Forms sent.	Number of Forms returned.	County.	Number of Forms sent.	Number of Forms returned.
Aberdeen	1	1	Lanark	11	10
Ayr	4	2	Renfrew	3	1
Banff	1	1	Roxburgh	1	1
Edinburgh	6	5	Stirling	2	0
Fife	3	3			
Forfar	2	1	Total	35	26
Haddington	1	1			

Ireland.

County.	Number of Forms sent.	Number of Forms returned.	County.	Number of Forms sent.	Number of Forms returned.
Antrim	10	8	Louth	3	1
Armagh	2	2	Mayo	1	0
Carlow	1	1	Meath	6	2
Clare	1	0	Queen's County	3	1
Cork	17	7	Sligo	1	0
Down	3	3	Tipperary	5	1
Dublin	12	10	Tyrone	2	2
Galway	1	0	Waterford	3	1
Kerry	1	0	West Meath	2	0
Kildare	5	4	Wexford	3	2
Kilkenny	4	2	Wicklow	5	4
King's County	2	2			
Limerick	3	1	Total	100	56
Londonderry	2	2			

APPENDIX D.

A Selection of Extracts from the more important General Remarks made by Millers.

REMARKS.

No. 10. *Belfast.*—Using 9,000 tons a year of Indian wheat. . States stones are the worst and most troublesome impurity. Red and white wheats would fetch more if separate. Belfast is one of the largest importers of Indian wheat, its flour being liked in the north of Ireland for making bread with soda and buttermilk, instead of yeast.

No. 20. *Bedford.*—Suggests that all corn having over 2 per cent. admixture should be compulsorily cleaned at port of entry before being offered for sale.

No. 34. *Berwick-on-Tweed.*—Indian wheat having to be washed before use renders it useless for mixing with damp wheats.

No. 43. *County Carlow.*—"When we can get Indian wheats free from impurities, "they will rise in value in our markets and will be worked in much larger quantities "by most millers."

No. 46. *Bangor.*—Indian wheats are principally used by the larger mills, but it must not be forgotten that in the aggregate the smaller mills, spread over the country, form a considerable portion of the grinding power of the country.

No. 58. *Chester.*—Used 5,500 tons Indian wheat 1888. Would use much larger quantities if clean.

No. 65. *Stockport.*—A large user of Indian wheat. Considers any arrangement of form of contract which would improve matters is very desirable, and would materially assist development of the trade.

No. 88. *Penzance.*—Considers the present F. A. Q. form an instrument to legalize fraud on millers.

No. 121. *Derby.*—"The millers can take care of themselves, please let them alone. "I buy wheat for what I think it is worth, dirt and all."

No. 131. *Tiverton.*—Prefers the flour from clean Indian wheat to that of any other foreign white wheat.

No. 138. *Devon.*—Has not used Indian wheat for past three years in consequence of the dirt, &c. The quality varied as much as 4*s.* per quarter between one bag and another.

No. 149. *Dublin.*—Is of opinion that a competitive trial of wheat cleaning machinery would be of great advantage.

No. 151. *Dublin.*—States that stones and clay are the worst impurities in Indian wheats. Also states that they are greatly pleased to see that the Government are interested in this very important matter.

No. 153. *Dublin.*—"I am most anxious to support any colony of the British "Empire in preference to America, and am convinced if the India wheat was as "pure and free from dirt it would get a great sale in Ireland."

No. 154. *Dublin.*—No direct imports into Dublin port. Freight from Liverpool brings price of Indian wheat high, and its use has always been obstructed by the necessity of washing before use.

No. 161. *Darlington.*—Dirt and dust gets into the weevil holes and it cannot be removed. This injures quality of the flour.

No. 167. *Darlington.*—Thinks that Indian wheats if sent clean would show a clear saving to the sender of fully 2*s.* per quarter.

No. 174. *Durham.*—Would approve of any measures tending to bring wheat in a cleaner condition.

No. 180. *Stockton.*—Indian wheats would have been of great service last year, on account of the excessive moisture in our English wheats, had they been clean.

No. 186. *Edinburgh.*—If the Indian wheats were shipped clean they would be largely used. Washing affects their baking qualities, and prevents their use.

No. 207. *Kirkcaldy.*—If we could get the fine white wheats clean we could use a considerable quantity.

No. 217. *Cardiff.*—"In order to place the trade on a really satisfactory basis, we "hold that the Corn Trade Associations in London and Liverpool should make up "*standards of all the different grades of wheat at the beginning of the season, and*

" *that all contracts should be made for quality equal thereto, instead of as present* " *for fair average quality.* The Californian trade is conducted on such a contract, " which gives satisfaction to both buyer and seller, and it is well known to what vast " proportions this trade has grown. We have for some time past urged the Corn " Trade Associations in London and Liverpool to take action in this sense, and with " such a contract and guarantee of not more than 2 per cent. admixture of foreign " matter we should predict a vast increase in the general demand for East Indian " wheats."

No. 235. *Gloucester.*—Many country millers are prevented from using Indian wheats, not having the necessary machinery to remove the dirt, and other impurities.

No. 241. *Gloucester.*—" If Indian wheat was free from stones and dirt, I should " use 5,000 quarters a year."

No. 248. *Basingstoke.*—Millstone millers are almost prevented from using Indian wheats, on account of the impurities.

No. 270. *Huntingdon.*—Have used from 4,000 to 5,000 tons a year of Indian wheat; would use much more if clean.

No. 271. *Huntingdon.*—The early shipments of Indian wheat are always worth more than the late, they are used as baits, the shippers knowing that the average of the earlier months will not affect the quality they are bound to deliver. Large shippers are able to ship so much *bad* wheat that they can affect the standard by which the contract is fixed, and so cheat their customers. If A can manage to ship half the wheat of one month of a quality 2*s.* per quarter below other shippers, the standard of the month will be lowered 1*s.* per quarter, and he will only have 1*s.* per quarter deducted from him for bad delivery, whereas he has saved 2*s.* per quarter in the cost of the wheat shipped. Of course this is an exaggerated case, but it is always in a degree true.

No. 274. *Isle of Man.*—Would use Indian wheat extensively if properly cleaned.

No. 286. *Gravesend.*—Indian wheat is of excellent quality, and if clean it would compete successfully with American and Russian, which millers cannot at present dispense with.

No. 296. *Kildare.*—Indian wheat would be more largely used in this district if it was free from clay, &c. " Having at one time used a large proportion of Indian " wheat for flour for the Government Bakery, Curragh Camp, it was objected to by " the supply officer, on the ground that the loaf was too small."

No. 301. *Kilkenny.*—States that it would be of immense advantage to English and Irish millers to be able to procure Indian wheat in such a conditon that ordinary cleansing machinery would be sufficient to render it fit to manufacture.

No. 304. *King's County.*—" We have used so very little Indian wheat, owing to " its impurity, that we cannot give as full an opinion as we should wish."

No. 307. *Glasgow.*—Indian wheats, if freed from impurities, would be invaluable for admixture with native Scotch wheats, and would soon be appreciated here.

No. 309. *Glasgow.*—If we had a regular supply of clean, fine Indian wheats, we are convinced that they would largely take the place of both Russian and American wheats.

No. 319. *Blackburn.*—The admixture of dirt, &c., in Indian wheats causes nothing but loss to all concerned, and discomfort to all who work in or about it, and in many places the miller dare not use Indian wheat, for fear of creating a nuisance to his neighbours when cleaning it.

No. 321. *Liverpool.*—States that the mixture of heated and damaged grain with wheat is the most serious difficulty which the miller has to contend with. Modern wheat cleaning machinery will eliminate the dirt and most of the foreign seeds, but it is impossible by any process to separate damaged wheat from sound.

No. 334. *Accrington.*—If Indian wheats could be delivered in the same clean condition as those from America and all our Colonies, there would be an immense impetus given to its use.

No. 335. *Liverpool.*—Uses an average of 26,000 tons a year of Indian wheat. Considers the present F. A. Q. form a moveable standard of quality, and therefore unsatisfactory to the consumer.

No. 336. *Manchester.*—Uses Indian wheat almost exclusively. Are not bread flour millers, but size flour makers, and often buy wheats that cannot be used for food on account of the impurities. Only on this account are the impurities an advantage to us.

No. 339. *Bolton.*—If Indian wheats could be supplied as free from impurities as grain from other countries, we should use a much larger quantity, probably 10 to 20 per cent. more.

No. 348. *Manchester.*—"I think I am one of the largest consumers of Indian "wheat, say about 50,000 to 70,000 qrs. per year. I would suggest that all wheat "for shipment *viâ* the Cape after June should be placed in bins before shipment, "and subjected for a few hours to the vapour of burning sulphur, to destroy the "weevils, which are very destructive in Cape cargoes."

No. 357. *Liverpool.*—"There is one point nowhere named in Mr. McDougall's "report, nor have I seen it elsewhere, but which has struck me very forcibly. It is "that the use of Indian wheats by English millers has caused a sensible increase in "the demand for English farmers' wheat for the sake of the mellowness and flavour "needed to counteract the ricey tendency of even the best Indian wheats."

No. 373. *Cheshire.*—Would use 20 per cent. more Indian wheat if it was clean.

No. 376. *Barrow-in-Furness.*—Uses from 8,000 to 10,000 tons of Indian wheat a year. A great number of small mills are prevented from using Indian wheats on account of the costly machinery needed to clean them.

No. 388. *Doncaster.*—If anything can be done in favour of importing Indian wheat in a purer state, it would receive support.

No. 389. *Boston.*—If Indian wheats could be imported as clean as the Californian or American red wheat, would hardly ever buy any other kind of foreign wheat.

No. 393. *Carlow.*—Tried Indian wheat, but found it would not work satisfactorily after receiving similar cleaning to that given to Russian and American wheats.

No. 398. *Lincoln.*—Found the dirt in form of dust very injurious to the health of wheat porters and millers. There is great need of improvement.

No. 400. *Lincoln.*—Would use our own colonial wheats in preference to others, if they could be obtained clean, but at present the waste is too great.

No. 403. *Lincoln.*—"We prefer Indian to Russian wheat, but we want less dirt."

No. 405. *Lincoln.*—"We are exceedingly pleased to see that this matter is receiving "attention, and we trust results will be beneficial. We think the Indian wheats are "worse this year than last."

No. 411. *Londonderry.*—Indian wheat, if shipped clean, would be of advantage to the growers, and all others concerned. Indian wheat would then compete on more equal terms with American, Australian, and Russian.

No. 425. *Isleworth.*—State the flour made from Indian wheat has an unpleasant earthy flavour, in consequence of the clay with which it is mixed; the removal of this would cause an increase in its value and lead to its more extensive use.

No. 441. *Norfolk.*—"I have 100 tons now unloading, 10 lbs. per bag of 15 stone "entire waste, and besides the loss in impurities I have to pay the Great Eastern "Railway 8*s.* per ton freight for the rubbish."

No. 444. *Great Yarmouth.*—If Indian wheats were shipped clean, would use a large quantity.

No. 450. *Great Yarmouth.*—"I was the first to introduce Indian wheat in the "Eastern Counties, and used about 2,500 tons annually; but, owing to the increasing "impurities, I have had to discontinue using them."

No. 455. *Northampton.*—If Indian wheat was sold in sacks, the same as Russian and American, it would be a great advantage.

No. 457. *Northampton.*—As an instance of the effect upon the price of Indian wheat of the impurities mixed with it, mentions the fact that Persian wheats in clean condition are worth 2*s.* per quarter more than wheat from Indian ports of equal quality, but with an admixture of impurities.

No. 465. *Newcastle-on-Tyne.*—The question of weevil should also be dealt with.

No. 466. *Alnwick.*—If Indian wheat was sent to this country clean it would at once command the attention of many millers who do not at present use it.

No. 473. *Nottingham.*—The impurities prevent the use of Indian wheats by the general trade, who cannot deal with them for want of machinery. The loss falls on the Indian cultivator, whose market is restricted.

No. 485. *Oxford.*—Believes the wheats from India will in future play a very important part in our trade. When properly cleaned, few wheats equal the Indian for colour and strength.

No. 490. *Queen's County.*—"I cannot too highly commend the adoption of this "course of having information direct from the users of the wheats, and of seeking "to promote the growth of colonial, specially of Indian wheats. In Ireland they are "very little used, the Indian sorts, and I know of no reason save the impurities."

No. 498. *Wellington, Salop.*—Prefers Indian to Californian wheat, and it is only the dirty condition of the Indian that prevents a larger consumption.

No. 503. *Ludlow.*—"I had one lot of Indian wheat to try, and found it quite "impossible to work on account of its impurities."

No. 507. *Bath.*—Have almost discontinued the use of Indian wheat, on account of the large admixture of dirt and stones.

No. 522. *Burslem.*—States that there is no doubt as to the quality of Indian wheat being second to none in the world, and that no wheat has suffered so much from the admixture of impurities.

No. 528. *Lichfield.*—The weevil in Indian wheat is even a greater drawback than the dirt. Only water will kill the insect, which remains in the interior of the grain, is ground up, and injures the colour of the flour.

No. 544. *Suffolk.*—Has used considerable quantities of Indian wheat, but has now discontinued using it on account of the impurities.

No. 545. *Lowestoff.*—"We should think the trade would be only too pleased to "have some alteration that will lead to a fair business between buyer and seller."

No. 566. *Brighton.*—States that small millers will not put up expensive machinery to deal with the dirt in Indian wheat, and it is to the interest of the largest millers, who have put up machinery, to keep the wheat dirty.

No. 572. *County Tyrone.*—Cannot see why Indian wheat should not be shipped as clean as Californian or Australian, which we use, and pay a higher price for.

No. 575. *Birmingham.*—If the F. A. Q. form is abolished, thinks it would be necessary to have some standard of quality, as otherwise the quality might be let down very considerably, although the dirt clause was introduced.

No. 585. *Birmingham.*—Thinks the 2 per cent. clause should be carried out in the interest of the seller as well as the buyer, as it would increase its value. "Am "pleased to receive this paper; you are doing good work for England and India, and "I beg to thank you."

No. 591. *Waterford.*—Indian wheat, if free from clay, dirt, &c., would be much more used.

No. 595. *Wexford.*—Millers object to the large proportion of clay, stones, &c., contained in Indian wheat, and which can only be dealt with by expensive machinery.

No. 596. *Wexford.*—The large quantity of impurities in Indian wheat is a great drawback to its use in quantity.

No. 599. *Wicklow.*—Suggests that the wheat before being shipped should be put through proper screening and fanning machines.

No. 603. *Bray, Ireland.*—The chief impurity is not the admixture of seeds, &c., but its impregnation with animal matter, urine, &c., which, is caused, no doubt, by the cattle treading out the grain.

No. 605. *Wilts.*—English farmers in a damp season like 1888 could use large quantities of Indian wheat if clean, but as they require so much preparation, even in mills possessing the necessary machinery, the trouble and wear and tear almost prevents its use.

No. 621. *Worcester.*—Would use a much larger proportion of Indian wheats for blending with local wheat, if the former were not so wasteful by reasons of their impurities.

No. 626. *Tewkesbury.*—"My mill is a small one, and it is not worth my while to "put up the necessary cleaning machinery to deal with the impure Indian wheat. "I am therefore unable to use it."

No. 641. *Thornton Dale.*—"Regrets that he is unable to use more Indian wheat "on account of its impurities."

No. 646. *Huddersfield.*—The Indian wheats would be more largely used if shipped free from dust, &c., and would sell for a much higher price.

No. 648. *Bingley.*—Does not find it pay to use Indian wheats unless considerably cheaper than others, owing to the elaborate cleaning process needed to rid them of impurities. The large quantity of earth some varieties contain is very difficult to remove, and causes specky flour, which retards their free use.

No. 652. *Leeds.*—"We find Indian wheats both useful and profitable, and trust "you will do all you can to promote the sending of them in a clean condition."

No. 654. *Castleford.*—Fully endorses Mr. Forbes Adam's letter, and holds Indian wheats in high esteem, and looks upon them as capable of being used in this country to advantage.

No. 665. *Sheffield.*—"The dust and dirt increases in percentage as the season "advances, and the rule to buy F. A. Q. is very unreasonable, as to-day I might buy "a parcel of wheat, February shipment, F. A. Q., and expect it to be similar to wheat "I am now receiving, but I might get it 3*s.* per quarter worse, although if it was "equal to the average for the month I should have no remedy."

No. 670. *Birstall.*—Is in favour of a 2 per cent. form of contract, and will urge the subject upon their Chamber of Commerce.

No. 671. *Driffield.*—Would be pleased for the 2 per cent. contract to be made binding, the present F. A. Q. form is a great source of annoyance.

No. 673. *York.*—Considers the choice white Bombay one of the finest quality wheats obtainable, its worst feature is the mixture of stones, which are more difficult to extract than any other impurity.

No. 680. *Great Driffield.*—States that the condition in which Indian wheats are delivered depreciates their value from 2*s.* to 3*s.* per quarter on the average.

No. 681. *Hull.*—"We use 8,000 to 9,000 quarters annually. The admixture of "dirt is only one objectionable feature in the F. A. Q. form. A much worse is "that the shippers sometimes ship a bulk largely mixed with unsound and heated "grain, making it utterly unfit for use. This unsound wheat is by far the greatest "source of loss to us; dirt we can calculate, but treachery we cannot. We certainly "think, to ensure confidence, the contract should read, *limiting the admixture of dirt, "seeds, &c., and grain other than sound wheat to 2 per cent.*"

No. 685. *Elland.*—Uses about 1,000 quarters per week; if clean would use 1,500 quarters of Indian wheat per week.

No. 688. *Wetherby.*—"The Indian wheats are very good in quality, but come in "such an unclean state that we do not use a fourth of what we should use if in "a proper condition."

No. 691. *Doncaster.*—"If Indian wheats were shipped free from impurities it "would render useless the vast and expensive plants of machinery designed, manu-"factured, and erected for the purpose of cleaning and purifying Indian wheats. "We think this demands some consideration. The manufacture of wheat cleaning "appliances is, as a matter of fact, a very important industry."

No. 695. *Hull.*—Millers in buying Indian wheat do not buy the dirt, &c., they reckon so much off for waste in buying. If they were shipped cleaner, there is no doubt they would fetch more money, as they would compare more favourably with other foreign and home wheats.

No. 698. *Keighley.*—If the various kinds of Indian wheat were sent over separately and clean, an increased quantity would be used.

No. 699. *Leeds.*—Indian wheats would be much more generally used if clean, none but the best fitted up mills can use them (as they are) to advantage.

No. 710. *Leeds.*—The immense quantity of stones in Indian wheat is a great detriment to their use, as they cannot be all got out.

No. 712. *Sheffield.*—With improved culture and shipment Indian wheat will become very popular in England, and a wholesome competitor with America.

No. 722. *Rotherham.*—Some of the Indian wheats are the best wheats on the market, and if they were sent free from dirt they would command a better price than many of the foreign.

No. 731. *Batley.*—The grit, ironstones, and heated grains are most serious objections to Indian wheats.

APPENDIX E.

Letter from Messrs. MARSHALL, SONS, & Co., Limited, to the Secretary of State for India.

Britannia Iron Works, Gainsborough,
29th January 1889.

My Lord,

Knowing the interest you evince in the Indian wheat question, we take the liberty of bringing to your notice our efforts to improve the quality of Indian wheat, by endeavouring to introduce suitable and efficient machinery for the proper manipulation of the grain, and we venture to think a brief account of our experience will not be uninteresting to you.

The advantages possessed by India as a wheat growing country—as regards climate and cheap labour—induced us, five years ago, to send out a set of machinery with a competent mechanic to carry out experiments in steam thrashing, with the object of adapting our machinery to meet the requirements of the country, and to practically demonstrate to the Natives the advantages that would accrue to them by the introduction of suitable thrashing and cleaning machinery as used by all the other corn-growing countries of the world. This first machine did not fulfil all the conditions required, inasmuch that it did not chop up the straw into "bhoosa" as fodder for the cattle. But from experience gained on the spot, we were soon able to bring out a machine to efficiently thrash the Indian wheats, and at the same operation chop and bruise the straw, and this machine is a pronounced success.

We may explain to your Lordship that we did not enter upon this undertaking without anticipating many formidable drawbacks, as we know the antipathy of the Native is always at first much against any innovation of this kind, but we experienced obstacles where we least expected them. We naturally thought the merchants on the other side would only be too glad to be able to send home properly thrashed and clean wheats, and would help us in the work we had taken in hand, but, to our surprise, we only met with encouragement from comparatively a few firms. It is, no doubt, a question of £ *s. d.*, and, at present, it probably pays them better to export the wheat with impurities. In no case would a firm undertake to send home a cargo of steam thrashed wheat at their own risk, although we had staked so much in the matter. But surely it is only a question of looking a little way ahead to clearly see the benefits that would eventually result to all concerned by exporting clean wheats, as it must be apparent, if Indian wheats, as at present exported, can compete in the European markets, that by sending clean and well dressed grain India can undersell all the other corn-growing countries.

Since commencing this work we have sent out machinery every season, and for the last two years our operations have been confined to the Punjab, where we have succeeded in thoroughly satisfying the zemindars. Last season we thrashed all the wheat on the estate of one of the Sikh high priests, at Amritsar, and this, as your Lordship will be aware, at once removed any superstitious objections that may have existed. So far, we are satisfied with the progress we have made, but we have not succeeded in selling any machinery of this description to Natives, and the time when we shall see any returns for the several thousand pounds we have expended seems in the remote future.

Many Anglo-Indians have told us we have undertaken a work we shall never succeed in, but, from the knowledge we have been able to obtain of the Native character, we have confidence that it is only a question of time and energy. We know that when railways were first promoted in India it was thought the different castes would never mix in the carriages, and that it would be necessary to have a separate compartment for each caste on every train; we know how different the result has been. Our experience is that it is more a question of rupees with the Natives. Once *convince* them that there is money in an innovation of this kind, and they forthwith take it up. We have only to look at the large number of cotton mills, cotton presses, oil mills, flour mills, &c., owned and worked by Natives in various parts of India to prove this, and as the railways continue to open out tracts of valuable land, thus enabling cultivators to convey their products to the ports from places where it has hitherto been impossible owing to want of carrying facilities, the demand for machinery of various kinds must increase every year.

It has also been argued that the zemindars will not be able to afford our machinery (Rs. 6,000 to Rs. 8,000 per set, delivered on the spot), but we do not believe this; there are a very great number of the zemindars who are well able to buy such machinery, and, in cases where the farms are too small, a few ryots can amalgamate and buy a set. This system is much in vogue in several parts of Europe.

Taking into consideration the great and increasing want of steam thrashing in India, and as there can be no doubt as to its ultimate success when once introduced, one would reasonably expect a demand for such machinery at no distant date, but it has now become a question for us to consider whether it will answer our purpose to expend any more money and energy until some of the drawbacks in our path are removed. We fear we can hardly hope to succeed until the growers know they will get a higher price for clean and pure grain. The merchants in India, refusing to give better prices for clean wheats, retard our efforts, as well as injure the future wheat trade of India. We have frequently been told by zemindars, "Why should "I buy your machinery, and produce perfectly clean wheat, when I should not get

" a higher price for it, and should lose the 5 per cent. or 6 per cent. I have to allow " to the buyer for the dirt, &c. ?" and we cannot but think there is a certain amount of reason in those remarks. We have even had cases where we have thrashed wheat for a ryot, and produced a sample beautifully clean and bright that would have surprised the merchants on Mark Lane, and he has afterwards mixed dirt with it. We mention this to show your Lordship that the fact of the merchants not being with us is a serious drawback, and our opinion is, that if the percentage of dirt and impurities were reduced to the same standard as for America, the demand for the Indian article would finally increase, and our difficulties in the introduction of machinery greatly decrease.

The Indian wheats do not at present realize anything like their intrinsic value owing to the admission of dirt, &c., and it is only the large millers who can afford to purchase the special machinery necessary for cleaning the Indian wheats who can use them at all, and many small millers, who have not facilities or means to introduce this special machinery, are debarred from employing them. We also understand even the large millers cannot use the Indian wheats in such a large proportion as they otherwise would providing they could get them clean. Further, the freight on something like 30,000 tons of useless dirt would be saved every large export season.

The growers would get a higher price for their grain, and would get their produce to market quickly after harvest, and consequently get their money earlier.

The cost of thrashing by machinery is less than by the present primitive mode.

By the introduction of machinery there would be but little risk of the crops being destroyed by fire through incendiarism or otherwise, thus obviating a source of great anxiety to cultivators in many parts of India.

We must apologise for trespassing so much upon your Lordship's valuable time, but we should like to mention that, in addition to sending out the machines with mechanics to work them, we also sent one of our representatives to thoroughly study the whole question.

We have, &c.,
Marshall, Sons, & Co.,
H. D. MARSHALL.

The Right Hon. Viscount Cross, G.C.B.,
Secretary of State for India.

EAST INDIA (ABKARI DEPARTMENT).

RETURN to an Address of the Honourable The House of Commons, dated 3 June 1889; – *for*,

"RETURN of any DESPATCH or other PAPERS sent out from the INDIA OFFICE to the VICEROY OF INDIA with regard to the RESOLUTION moved by the Honourable Member for Flintshire, and carried by the House on 30th April."

India Office,
17 June 1889.

JOHN E. GORST,
Under Secretary of State.

(*Mr. Caine.*)

Ordered, by The House of Commons, *to be Printed*,
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RETURN of any DESPATCH or other PAPERS sent out from the INDIA OFFICE to the VICEROY OF INDIA, with regard to the RESOLUTION moved by the Honourable Member for Flintshire, and carried by the House on 30th April.

(Revenue,—No. 52.)

To His Excellency the Most Honourable the Governor General of India in Council.

India Office, London,
16 May 1889.

My Lord Marquis,

IN continuation of my Despatch (No. 28, Revenue), dated 19th April 1888, I enclose a copy of a report of a debate in the House of Commons, which took place on the 30th ultimo, on the Excise Administration of the Government of India. You will observe that a Resolution condemning that system in general terms and calling for its immediate reform was carried by a majority of 113 to 103. I desire to call your Excellency's attention particularly to the speech of Sir John Gorst, Under Secretary of State for India, which represents my views upon the subject under discussion.

2. The Resolution, you will perceive, does not discriminate between the different systems of Abkari administration prevailing in the several provinces of India, nor between the variation in the carrying out of those systems which circumstances render necessary in different districts of the same province; nor is any alternative policy laid down by the House of Commons in this Resolution for the guidance of the Government of India in the very difficult task of regulating the consumption of intoxicating liquors by the various populations of India. Her Majesty's Government, however, gathered from the debate which took place and the speeches by which this Resolution was recommended to the adoption of the House of Commons, that the principles enunciated in my Despatches of the 19th April 1888 and the 14th March 1889 met with the entire approval of all parties in the House of Commons. These principles were:—

(1.) That any extension of the habit of drinking among Indian populations is to be discouraged.

(2.) That the tax on spirits should be as high as may be possible without giving rise to illicit methods of making and selling liquor.

(3.) That, subject to these considerations, a maximum revenue should be raised from a minimum consumption of intoxicating liquors.

3. I understand that these principles have been frankly assented to by the Government of India and by all the Provincial Governments, and are indeed those to which those Governments have long endeavoured to make their Abkari administration conform.

4. I fully appreciate the opinions expressed by your Excellency with regard to this matter in the recent discussion of the Budget as reported in the Gazette of India of the 30th day of March last, and I have every confidence that your Excellency, in view of the opinion expressed by the House of Commons, and in accordance with your own views, will proceed with as little delay as possible to carry into effect the measures which you already have under consideration for the more effectual control and discouragement of the liquor traffic, according to the various circumstances of the populations under your Government.

5. It was asserted in the debate that, however sound the views and intentions of the Government of India and of the Provincial Governments might be, those intentions were not carried in all cases into practical effect by some of the executive officers of the Abkari Department. As an illustration of this the passages transcribed in the margin * from the Report on the Excise Administration of the North-West Provinces and Oudh for 1885-86 were cited, to show that attempts were sometimes made to force intoxicating liquor upon unwilling consumers, contrary to the principles laid down.

A perusal of the whole of this Report would show that such expressions as those quoted in the margin misrepresent the policy of the local administration; they are, moreover, peculiarly liable to misconstruction, and when separated from the rest of the Report appear to be entirely contrary to the policy of Government. I have no doubt that if these passages had been supposed by your Excellency's Government to bear the meaning that has been placed upon them, they would not have been allowed to pass unnoticed.

* Report on the Excise Administration of the North-West Provinces and Oudh, for the year ending September 1886.

Page 7. "In some districts where the number of shops was below the Government standard, attempts were made to increase them, but not with conspicuous success."

Page 13. "*Etawah.*—Efforts are being made to bring the number of shops up to the prescribed standard. Besides the 57 shops now opened licenses were granted for others, but they were withdrawn when it was found that no liquor was sold at those shops.

"*Etah.*—At the last settlement efforts were again made to induce the Abkaris to open new shops, but as last year to no purpose; no one would bid even a nominal price for them.

"*Muttra.*—Licenses were taken out for 37 shops, but six had to be withdrawn."

6. While, therefore, I am unable to see in the Resolution of the House of Commons any reason for departing from the principles of Abkari administration which I have pressed upon your Excellency in the Despatches above mentioned, your Excellency may with advantage make use of the Resolution for the purpose of inculcating on the several Provincial Governments increased vigilance in watching the practice of their executive officers, in order to secure a conformity in all districts of the Indian Empire to the Abkari policy which has been adopted, and in the case of those provinces in which a reform of the Abkari administration is in progress, for the purpose of expediting the completion of each reform without delay.

I have, &c.

(signed) *Cross.*

(Revenue, No. 28.)

To His Excellency the Right Honourable the Governor General of India in Council.

My Lord, India Office, London, 19 April 1888.

In continuation of my Despatch, No. 63, dated 18th August last, I forward a copy of "The Times" newspaper report of a debate in the House of Commons on "* * * the extension of the sale of intoxicating liquors "for (Indian) revenue purposes with serious results to the moral and "material welfare of the people." A copy of your Excellency's Despatch, No. 166, dated 25th June 1887, which reported fully upon the Indian excise administration, had been printed by Order of the House of Commons, and was in the hands of the Honourable Members before the recent debate.

2. I am satisfied that, in controlling and directing the Indian excise administration, the Supreme and Local Governments are following and have followed the principal that as high a tax as possible should be placed on spirits without giving rise to illicit distillation. In the interests of the Indian people, as well as in the interest of the Indian Treasury, the excise systems of India must always be based upon the considerations,—

(1.) That an extension of the habit of drinking among Indian populations is to be discouraged.

(2.) That the tax on spirits and liquors should be as high as may be possible without giving rise to illicit methods of making and selling liquor.

Subject to the above considerations, as large a revenue as possible should be raised from a small consumption of intoxicating liquors.

3. Your

3. Your Excellency's recent Despatch, and also the periodical Excise reports, show that your Government and the Local Governments practically shape the Indian Excise administration in conformity with these considerations. At the same time, I occasionally find in periodical reports passages which read as if the increase of the Excise revenue was the paramount object of good Excise administration, and as if additional facilities for liquor drinking might be sometimes given more readily than the actual needs of the people demand. I think it desirable that your Excellency's Government should take an early opportunity of drawing the attention of Local Governments to the principles by which their Excise administration ought to be guided.

4. The Report of the Bengal Excise Commission points to the conclusion that some years ago the number of licensed outstills and liquor shops was unduly increased in parts of Bengal. And I am glad to find that the action taken by the Government of Bengal on that Report has resulted in a considerable reduction of liquor shops, and of the estimated quantity of spirits passed into consumption. I incline to the view—a view upon which the Local Governments appear generally to act—that the central distillery system is preferable to the outstill or the contract system, for all places and tracts where the population is large and where adequate means exist for supervising and controlling the distillery arrangements. Under that system every gallon of spirit passed into consumption must pay the full duty; whereas under the contract system, and still more under the outstill system, it is the interest and in the power of the distiller to make as much spirit and to push the sale thereof by cheapening liquor as far as he possibly can.

5. I shall be glad to receive a copy of any instruction that your Excellency may see fit to issue in accordance with the remarks contained in the foreging paragraphs.

I have, &c.

(signed) *Cross.*

EXTRACT from Revenue Despatch, No. 31, of 14th March 1889, from the Secretary of State for India to the Governor General of India in Council.

I DESIRE to remind your Excellency that, in my Despatch of the 19th April 1888 (No. 28, Revenue), I laid down the principles (1) that any extension of the habit of drinking among Indian populations is to be discouraged; (2) that the tax on spirits and liquors should be as high as may be possible without giving rise to illicit methods of making and selling liquor; and (3) that, subject to these considerations, a *maximum* revenue should be raised from a *minimum* consumption of intoxicating liquors. In other words, to quote from the Report of a Committee appointed by the Government of Madras in the year 1884, "it should always be borne in "mind that the taxation of the sale of intoxicating liquors is imposed "primarily in order to restrain the consumption of such liquors, and not for "the purpose of making money out of their sale." I am confident that your Excellency's Government will adhere strictly to these principles in any measures which you may think fit to adopt, and that you will do all that lies in your power to ensure that they shall be observed by all who are engaged in the work of the Excise Department.

EAST INDIA (ABKARI DEPARTMENT).

RETURN of any DESPATCH or other PAPERS sent out from the INDIA OFFICE to the VICEROY OF INDIA with regard to the RESOLUTION moved by the Honourable Member for Flintshire, and carried by the House on 30th April.

(Mr. Caine.)

Ordered, by The House of Commons, *to be Printed,*
18 *June* 1889.

[*Price* 1 *d.*]

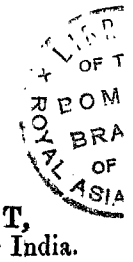
194. *Under* 1 *oz.*

11.—28. 6. 89.

EAST INDIA (ABKARI ADMINISTRATION).

RETURN to an Address of the Honourable The House of Commons, dated 2 August 1887;—*for*,

"COPY of a DESPATCH received from the Government of *India*, dated 25th June 1887, relating to the System of LICENSES for the DISTILLATION and SALE of SPIRITUOUS LIQUORS in Force in the various Provinces of *India*."



India Office,
4 August 1887.

JOHN E. GORST,
Under Secretary of State for India.

(Mr. Samuel Smith.)

Ordered, by The House of Commons, *to be Printed,*
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269.

COPY of a DESPATCH received from the Government of *India*, dated 25th June 1887, relating to the System of LICENSES for the DISTILLATION and SALE of SPIRITUOUS LIQUORS in Force in the various Provinces of *India*.

COPY of a DESPATCH from the Government of India (Department of Finance and Commerce) to the Right Honourable Viscount *Cross*, G.C.B., Her Majesty's Secretary of State for India (No. 166), dated Simla, 25 June 1887.

My Lord,

WE have the honour to acknowledge the receipt of the Despatch from Lord Cross, No. 70* (Revenue), dated 12th August 1886, containing papers received from the British and Colonial Temperance Congress. The Congress have been informed that the increase which recent years have shown in the Excise Revenue of India is due to a system which "directly leads to the establishment of shops for the sale of liquor in large numbers of places where till recently such things were unknown," and that the fiscal system adopted by the Government in this country, by affording facilities for drinking, "in defiance of native opinion, is unhappily spreading misery and ruin amongst many families of the industrial class." They express their concern that the use of intoxicating drinks, which they believe to have been practically unknown in the greater part of India, should have been introduced under British rule.

*Printed as an Appendix.

2. Desirous of obtaining for your Lordship the fullest and most recent information on the subject, we referred these documents to the several Local Governments for report, and we have obtained in reply a mass of information, bearing directly on the subject, of which we have caused an abstract to be prepared in the Note which forms the enclosure to this Despatch.

3. Your Lordship is aware that few subjects connected with Revenue Administration have of recent years obtained greater attention at the hands of the Government than questions relating to Excise Administration. In each of the three larger Governments, Bombay, Madras, and Bengal, the Excise system has, within the last six or seven years, been completely examined in its operation and in its effects. These examinations have been made under the instructions of the Local Governments, and in direct communication with us; and the principles on which they have been based, and which have been unanimously accepted by all the authorities concerned, have been these, that liquor should be taxed and consumption restricted, as far as it is possible to do so without imposing positive hardships upon the people and driving them to illicit manufacture. The facts now placed on record show that in this policy the Local Governments have been completely successful, and that the great increase of Excise Revenue in recent years, which the Congress take as evidence of the spread of drinking habits, really represents a much smaller consumption of liquor, and an infinitely better regulated consumption, than the smaller revenue of former years.

4. It should be noted, to begin with, that the Congress are in error in thinking that the position of the Government of India is that they are in the midst of a universally abstemious population, who, if left alone, would know nothing of intoxicating liquor, and who have been introduced to it only by measures adopted by the British authorities. It is true that both the Hindu and the Muhammadan religions denounce the use of spirits, but the classes whose habits of life are framed with a strict regard to religious or social restrictions, form in India no larger a portion of the population than in other countries. In

several parts of India nature produces in great abundance the material for distillation of spirit, and there is not the slightest reason to imagine that in the days of Native Administration, when the signs of authority were few and far between, the Indian populations refrained from indulgence in a practice which it requires the constant watchfulness of the British Administration to prevent. The prevalence of spirit-drinking in ancient Hindu times is the subject of a paper by Dr. Rajendralala Mitra, who is a well-known authority on all matters relating to Hindu antiquities. This paper is summarised in paragraph 11 of the enclosures, from which it will also be seen that under the Muhammadan Administration which immediately preceded the British rule, the facilities for drinking were very much greater than have ever since existed, and the prevalence of drinking habits quite as much complained of. The reports by the Chief Commissioner of the Central Provinces and of Assam prove that it is precisely those tribes and races which have been least accessible to the influences of British rule which are most addicted to intoxicating drinks and drugs.

5. We have at the present day ample evidence on this very point in the conflict between the British and Native Excise systems wherever British and Native territory meet. These are the only points where the British system breaks down, because the restrictions imposed upon manufacture and consumption on the British side of such frontiers are not met by equivalent restrictions on the other side. One of the main difficulties which the Excise authorities have to meet is that of excluding from British territory the more lightly taxed and more easily obtained spirit available in Native States, and the British Government have in many cases (mainly in Bombay) bought up the Excise rights of Native States in order that, by imposing on the people of Native States the same restrictions to which those dwelling in British territory are subject, they may maintain the restrictive system on which the British Excise Administration is founded.

6. The information, therefore, which has reached the Congress on this subject is entirely erroneous. The Governments in India are not set in the midst of an abstemious people from whom they can realise no Excise Revenue, unless they place in their way temptations to drinking which would not otherwise exist. On the contrary, it is only by strong preventive establishments that illicit distillation can be prevented. The great increase in the revenue, to which the Congress allude, does not mark the extension of drinking habits, but is the result of a great and general increase in the rate of tax, which it would have been entirely impossible to realise but for the great improvement in preventive measures which has accompanied it. In fact, the ability of the Excise Department to prevent illicit distillation is the only limit which is imposed in practice to increase in the rate of taxation.

7. The Congress are also misinformed in connecting this increased revenue with "the system by which the right to license outstills is farmed to the highest bidder." In scantily inhabited tracts, and in places which border upon Native States, a system of this kind is employed as providing the only means by which a tax of any kind can be levied upon the consumption of spirits; these are places where the Government has no choice between untaxed distillation and trade and the system of farm to which the Congress allude. But outside these very narrow limits the system may be described as obsolete. The object of the Excise Department is to tax every gallon of spirits, first, by a fixed still-head duty, which is regulated at the discretion of the Government; and secondly, by a license fee for retail sale, which is usually determined by competition for the privilege of sale.

8. The "outstill" system, as it is understood in India, is not a system by which, on payment of a lump sum, the distiller is free to brew as much spirit as he likes and sell it wherever he likes. The duty is levied upon a strict calculation of the number of gallons which the still can produce, and the conditions, both of distillation and of sale, are carefully regulated with reference to the existing local demand. Shops are established where the Administration and not where the licensees consider them necessary, the police and the municipal authorities being consulted regarding them.

9. Before

9. Before passing on to give actual statistics of the consumption, it must be remembered with what large tracts of country and with what a large population we are dealing. Judged by a European standard, the people of India are a remarkably abstemious people. Drunkenness in the English sense of the term hardly exists in India. Writers whose comparisons are based on Oriental experience describe as drunkenness and as spread of misery and ruin a condition of things which, if it existed in England, would be regarded almost as a millennium of temperance. The average consumption in India is only a bottle or a bottle and a-half of spirits a year for every adult male, and in some provinces is even less than that. It may be conceded that, however small the rate of consumption, any increase of it is equally to be deprecated; but at the same time, in dealing with subjects such as the present, it should be borne in mind that such terms as "drunkenness," "drinking classes," and "spread of drinking," when used by natives of India or in connection with Indian administration, bear a meaning wholly different from that which they convey to a mind familiar only with the English aspects of the temperance question.

10. The papers submitted by the Government of Bombay give very ample statistics of the Excise Administration. They show that during the 10 years ending 1883–84 the number of shops in the whole presidency was reduced from 3,440 to 2,945. Taking the town and island of Bombay, the still-head duty was raised from 1 rupee to 2¼ rupees, and the consumption reduced from 900,000 gallons to 700,000. Similar statistics are given for other large cities and populous tracts, and it is shown that, through the operations of Government, the rate of tax has been increased threefold, and the selling price by 60 per cent.

11. In the Presidency of Madras a Committee, appointed in 1883, revised the whole system of excise, their principle being to levy as high a duty as possible without causing illicit distillation. The effect of the increase of duty has been to reduce the consumption from 1,200,000 gallons in 1883–84 to 1,000,000 gallons in 1885–86.

12. In Bengal the number of shops for sale of liquor was allowed in 1882 to increase as high as 39,000, but the stricter measures recently adopted has brought the number down to 27,000. The number of shops for sale of drugs has decreased steadily from 1871, the number in that year being 16,600, and the present number being 6,000.

13. In the North-Western Provinces a considerable increase of consumption is shown, but part of it is due to the suppression of illicit manufacture. As regards the rest, it is attributed, in the opinion of the officers best fitted to judge, to the marked increase of material prosperity among the lower classes. In 1884 the Local Government discussed the subject at length in a published Resolution, insisting upon a policy of taxation and control of the consumption.

14. In the sparsely cultivated region of Burma there are special difficulties in suppressing illicit distillation, which is found inevitably to follow restrictions on sale and high taxation. There has been a large decrease in the number of shops during the last five years, during which probably the Administration has felt itself more able to prevent the illicit traffic which such restriction in that country would naturally give rise to.

15. Similar detailed information is given in the enclosures with reference to the Punjab, Central Provinces, Assam, and the minor provinces directly administered by the Government of India. In all of them it will be seen that the leading object of the Administration is to impose restrictions, as far as possible, upon consumption.

16. In short, the Temperance Congress, starting from the erroneous assumption that liquor traffic and liquor consumption are unnatural in India and would not exist but for the state of things created by the British Administration, have formed the conclusion that the mere orders of the Government are sufficient to confine the consumption within any desired limit, and that the Government is responsible for not drawing that limit much closer. The real

problem, it will be seen, is much more difficult. There is a point at which restrictions on consumption are inevitably followed by illicit distillation, a point which varies in every region, according to the habits of the people, the sparseness of population, and the nature of the country and its productions. The papers now forwarded to your Lordship amply show that the object which the various Governments have in view is the adaptation of the various methods of Excise Administration to the different conditions which present themselves, and the imposition of as great restriction as circumstances in each case permit. In our opinion the papers are a record of success in the solution of this difficult problem.

We have, &c.
(signed) *Dufferin.*
F. S. Roberts.
T. C. Hope.
A. Colvin.
G. Chesney.
A. R. Scoble.
J. B. Peile.

Enclosure in the above.

MEMORANDUM on the ALLEGED INCREASE of INTEMPERANCE in INDIA.

IN August 1886 we received a letter, dated the 16th July 1886, from the President of the British and Colonial Temperance Congress, London, stating that—

"it has been brought to the knowledge of the Congress that habits of intemperance are greatly on the increase in Bengal and other parts of India and in Burma, and that this is largely due to the extension of spirit licenses granted for purposes of excise revenue. The Congress has been informed that the amount of excise revenue in India from spirits has more than doubled in the last 10 years, and that this is largely due to the system by which the right to license 'outstills' is farmed to the highest bidder, and directly leads to the establishment of shops for the sale of liquor in large numbers of places where, till recently, such things were unknown, in defiance of native opinion, and unhappily spreading misery and ruin among many families of the industrial class.

"The Temperance Congress is profoundly concerned at hearing that notwithstanding the well-known fact that both the religious and the social customs of India, during many centuries, have frowned upon the use of intoxicating drinks, and that in the greater part of India their use has been practically unknown, a change fraught with so many evil consequences should have been introduced under British rule and should be to any degree directly fostered by the fiscal system to which I have referred."

2. The President of the Congress (the Bishop of London) begs that full inquiry may be made into the matter, and that steps may be taken to check the serious growth of intemperance in India.

3. We also received a Despatch from the Secretary of State, No. 70 (Revenue), dated the 12th August 1886, forwarding a copy of correspondence with the British and Colonial Temperance Congress on the same subject, and asking to be informed as to what action the Government of India would propose to take in regard to the several proposals submitted by the Excise Commission, Bengal.

4. We also received a copy of a letter, dated the 20th November 1886, addressed by the Reverend Thomas Evans to Mr. Samuel Smith, M.P., in which it is stated that the Board of Revenue have found out that one way to get money is—

"to *encourage the drink trade,* and to put facilities before the people generally to take to the habit of drinking in order *to push on the trade* and to get in a *larger revenue*; so that really the Indian Government is guilty of the crime of pushing a trade for fiscal objects which is fast spreading the terrible evil of drinking and drunkenness throughout the country. In Bengal, when they found that the old 'central distillery' system did not increase the excise revenue as rapidly as they could wish, a member of the board, Mr. Buckland, proposed to the Government of Bengal to introduce the *private* stills, called the outstill system, by which native distillers were at liberty to open their own stills and manufacture

manufacture as *much* as they liked, and *what* they pleased, by paying a monthly rent to the Government for permission to manufacture and sell. This brought the liquor down from 2 *s.* or so per bottle to about 2 *d.*, and the stills multiplied a hundredfold. The consequence was, there was a regular rush for the drink from all classes."

(Mr. Buckland, it should be remarked, left India finally in April 1881.)

5. The Reverend T. Evans also states that the Commission appointed to inquire into the excise of country spirit in Bengal—

"resulted in a recommendation to abolish the outstills in all the chief towns and go back to the sudder or central distillery system, as drunkenness was spreading, and this *so far* was an improvement, but only a very partial one, for the vice is spreading still."

6. He suggests the following remedy:—*First*, the still-head tax should be raised as high as possible, as also the license on all the shops for selling; and, *secondly*, local option should be introduced, for now the population have no voice, and liquor shops multiply as fast as the traders can make them pay and the Government get increased revenue.

7. The Congress do not state the source of their information. The statement that the population of British India pay nearly twice as much taxation upon the intoxicants they consume as they did 10 years ago, is not far from correct. The excise revenue was about 2,300,000 *l.* in 1871–72 till 1873–74; it gradually increased to 2,600,000 *l.* in 1878–79, and since that year the rate of increase has been much more rapid, the amount in 1886–87 being 4,265,600 *l.* But the information received by the Congress that this increase is "largely due to the system by which the right to license outstills is farmed to the highest bidder" is certainly incorrect.

8. The increase of revenue, it will be seen from this note, is in great measure due to the prevention of smuggling by better administration. It is due also in part to increase of population, and to improved means of communication. But it is in very large measure due to the fact that the last eight years have been years of extraordinary agricultural prosperity.

9. The outstill system, referred to by the Congress, existed in past times, but the history of the period during which the increase of revenue has taken place is the history of a practically complete supersession of it by better methods of excise administration. The alleged system, in fact, belongs to ancient history, and is confined at present to a few wild outlying tracts, where there is no option between allowing the distillation and consumption of spirits to go altogether untaxed, and giving the business in farm to some person who would at least take care to collect some revenue and would have a personal interest in preventing illicit consumption.

10. It was not from any inability to give an immediate and complete reply on the subjects dealt with by the Congress that the Government of India preferred to collect anew the statements and opinions of Local Governments upon the questions raised. It is well known, in India at least, that during the last 10 years, and especially during the last five, all the principal Governments have been giving the greatest attention to the question of excise administration. There is hardly any department of the revenue administration in India in which the Government of India can show a record of greater success, whether the question is looked at from the purely fiscal point of view, or with regard to its social aspects. The result of the references to the Local Governments has been to show, in very considerable detail, that the various Governments in India, in respect of their excise administration, have been extremely successful in combining a great improvement of the revenue with severe restrictions on the consumption of the liquor from which it is derived.

11. It may be of advantage, as a matter of some antiquarian interest, and with reference to the statement of the "well-known fact that both the religious and social customs of India, during many centuries, have frowned upon the use of intoxicating drinks, and that in the greater part of India their use has been

practically unknown," to commence with a quotation from the Report of the Bengal Excise Commission :—

"7. *The use of spirits among the ancient Hindoos.*—Dr. Rajendralala Mitra, in a very learned and interesting paper contributed by him to the Asiatic Society's Journal, Volume XLII., Part I., for 1873, shows conclusively by a profusion of instances taken from Sanscrit literature, ancient and mediæval, that spirits and other intoxicating drinks have been extensively used in India at all times and by all classes. He states, indeed, that their use had been condemned by moralists and lawgivers, but he proves that rice-spirit was sold and drunk and used in sacrifices in the earliest Vedic times; that the leading characters of the Mahábhárat were addicted to strong drinks; that the Rámávana frequently notices spirit-drinking with evident approbation; that in the time of Kálidása drinking seems to have been very common, not only among men, but even among women of high rank; that the Puránas abounded in descriptions of spirits and of drinking; and that the Tantras afford the most indubitable proofs of a strong attachment on the part of a large section of the Hindoos to over-indulgence in spirituous drinks. He also gives descriptions of the different kinds of spirits, of the materials from which they were made, and of the manner of making them, which will be referred to in succeeding parts of this Report. He does not, however, write on the question of their being made a source of revenue in Hindoo India, and it is understood that he is of opinion that they were not taxed. Other authorities, however, of great weight are of a contrary opinion; but there seems to be no direct evidence on this point beyond the alleged fact that all articles sold in shops were subject to taxation. Now in the Buddhist drama, "Naga Nunda," there is mention of a spirit-shop, and there are similar references by Kálidása, and elsewhere, noticed by Dr. Rajendralala. There are also many references to the use of spirit in Buddhist works, and it was stringently prohibited in Buddhist scripture. Reference to the subject will be found in Hodgson's "Languages, Literature, and Religion of Nepaul and Thibet;" in Spence Hardy's "Eastern Monachism;" in Bishop Bigandet's "Life or Legend of Gautama," and in the second volume of Burnouf's "Lotus de la Bonne Loi."

"8. *Excise under the Moghul Emperors and up to the resumption of the sayer in excise in* 1790.—In Gladwin's translation of the Ayeen Akbary, paragraphs 288 and 289, there is a list of taxes which were remitted by Akbar, among which were taxes on salt and spirituous liquors; but both these taxes, as well as several others of those enumerated in the Ayeen Akbary, must have been subsequently re-imposed, for they are included in the sayer of later fiscal statements. It appears from Mr. Sheristadar Grant's "Analysis of the Finances of Bengal," written in 1789, and from Mr. Shore's Minutes, that in the accounts of the revenues of Bengal, as settled by the Nawab Jaffir Khan in 1722, A.D., and confirmed by his successor, Sujah Khan, seven years afterwards, the taxes on spirituous liquors were treated in two ways. In some parts of the country they were realised by the zemindars, and then formed part of the sayer, which was consolidated with the mal in the total assessment. In other parts they were collected by what Mr. Grant calls the more immediate temporary officers of Government, and were then partly included in the Chunakali mahal, one of the great divisions of the separately managed miscellaneous revenue in Meer Jaffir's system, and partly shown under other headings. This distinction was clearly maintained up to the assumption of the Dewany by the East India Company in 1863, and it may be gathered from the section of Mr. Grant's Analysis relating to "the sayer of the dewany territory" that it existed in some form at the date of his report. This opinion seems also supported by allusions in the early regulations to a separate system of excise management obtaining in the cities of Moorshedabad, Patna, and Dacca. It does not appear clearly what this system was, but in the tracts where the sayer was collected by the zemindars it is probable that there was a practically unrestricted system of outstills paying very low rates in many places, though it may be conjectured that the ordinary rent was not less than 10 rupees monthly, or the equivalent in liquor when required for social or ceremonial purposes in Behar and parts of Bengal. The price of spirit under these arrangements was less than it has ever been anywhere in Bengal since the modern excise system was introduced in 1790, as appears from a passage in a description of the Mohwa tree in Behar, written in 1785 by a Lieutenant Hamilton. That officer states that the Mohwa flowers being fermented, yielded by distillation a strong spirit, which the people sold so very cheap, that for one piece (about a halfpenny) might be purchased no less than a cutcha seer (about a quart bottle), with which any man might get completely drunk. Lieutenant Hamilton also stated that the mohwa flower was in his time exported from the jungly tracts, where it grew wild, to Patna and other places in considerable quantities. This statement regarding the cheapness of spirit is corroborated in a paper written about the same time by a Mr. Keir, from which an extract will be made in a subsequent chapter of this Report; and it would appear that complaints were then rife about the spread of drunkenness among the lower classes of the people. These complaints apparently decided the Government upon the resumption of the sayer on spirituous liquor."

12. The fact that the British Administration is not chargeable with the introduction of drink and drinking habits in India will be seen also from the quotations given below with reference to the Central Provinces and Assam. Indeed, it is well known that the only real difficulty in British India excise administration

administration arises at those points where the territories under British administration impinge upon wild or sparsely-inhabited tracts or upon Native states. The habits of the people in the first case, and the systems of native administration in the second, are such as to render it extremely difficult to prevent the entrance of cheap spirit into the tracts subject to our authority. It is in these cases that, as above stated, we are obliged sometimes to defend ourselves by introducing the "farming" system to which the Congress refers. But even in these cases we have done our best to adhere to our principles, and (especially in the case of Bombay, where, more than in any other part of India, our territory is interlaced with native territory) we have induced many of the Native states to place their excise administration under our control, so that we may enforce upon them the same restrictions on consumption which we apply in our own territory.

13. It may be useful, before taking up the explanations given for each province, to give some idea of the relative value of the figures about to be quoted. We shall have to write of hundreds of thousands of gallons, and it is well therefore to give an exact idea of the value of these quantities in estimating the prevalence of drinking habits among the people; for persons who use these large figures are apt to forget the enormous population and the extensive area over which they are spread.

14. As regards the wilder tribes, we have naturally no precise information of the rate of consumption; their ancestral drinking habits must be ascribed, not to any new facilities placed at their disposal by the British Government, but to the fact that nature has provided them with ample means of indulgence. For districts managed on the outstill system the information is inexact, but the amount of duty, being more or less regulated by the capacity of production, gives us the means of making an estimate. Where the still-head duty system prevails the figures of consumption are necessarily exact.

15. In the Excise Report of 1885-86 for Bombay the statistics of consumption are given for Bombay itself and for several of the districts. The figures give a consumption of 1,656,510 gallons for 8,142,956 persons, which is less than a gallon a year for every adult male. If the city of Bombay were excluded from these figures the average would be about half-a-gallon only.

The Commissioner for Madras, in his Report for 1885-86, gives the statistics of consumption over a population of 22,331,954. The total is 1,085,477 gallons, or less than a quarter of a gallon for every adult male.

For Bengal, with a population of 66,589,859, the consumption, estimated on the assumption that each gallon pays one rupee of duty, which appears to be well within the truth, amounts to 4,510,228 gallons. This is about a quarter of a gallon for every adult male.

In the North Western Provinces, as will be seen from the extract hereafter given, the Excise Commissioner estimates the consumption at one pint for every adult male.

The Punjab Report for 1885-86 gives the consumption for the province at 135,236 gallons for a population of 18,818,220, which gives only a quarter of a pint for every adult male.

16. We proceed to review, in turn, the information given us in reply to our references to the various Governments.

BOMBAY.

BOMBAY.

17. The Government of Bombay states that the allegations made by the Congress to the effect that the use of intoxicating drinks has been introduced under British rule in India, contrary to the religious and social usages of the people, and that drunkenness is increasing, are incorrect, so far as that Presidency is concerned. Although, in consequence of the relaxation of religious and caste rule, it is probable that intoxicating liquor is now often used in secret by classes who formerly abstained from this as well as other practices of self-indulgence, it must be remembered that large sections of the population, including most of the indigenous tribes, have from time immemorial used intoxicating drink. Habitual drunkenness, in the English sense of the word, is very rare.

 18. It

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18. It is also stated that recent improvements in the excise system, whereby liquor is not only taxed at an immensely increased rate, but illicit distillation and sales are checked to the utmost, have had a very marked effect in decreasing consumption, and that the operation of the existing system has been deemed so stringent that whole classes have combined to abstain from liquor altogether with a view to compel Government to reduce its taxation.

19. Under the Bombay system of excise there is no sale of the right to license outstills, except in a few wild districts where illicit distillation is very difficult to check. In places where outstills are permitted they are specifically licensed by the Revenue authorities and properly controlled. Nearly all intoxicating liquor sold in the Bombay Presidency is issued under license from central distilleries on payment of still-head duty, and is under very strict and close supervision.

20. The increased revenue from excise is, it is stated, due to enhanced rates of duty, to a very great reduction in the consumption of illicit liquor through improved preventive arrangements, and to the growth of population and their increased means.

21. Among the papers furnished by the Government of Bombay, and bearing upon this subject, are two important ones, which are quoted at length:—

(1.) From *C. B. Pritchard*, Esq., Commissioner of Customs, Salt, Opium, and Abkari, Bombay, to the Editor of the "Bombay Gazette," dated 21st August 1883.

"In a leading article that appeared in your paper of the 14th instant it is stated that 'the increase of drink in all parts of this Presidency has been a standing complaint against the Government,' and the officers of the Bombay Abkari Department are charged with having, in their eagerness to make revenue, unduly pushed the sale of liquor to the encouragement of drunkenness and the destruction of morality and happiness of the native population. The progress of liquor-drinking among the native population of India is a subject of general interest, and it is very desirable that the public should be in possession of accurate information upon it. I trust, therefore, that you will kindly give me space to explain briefly what effect the recent changes in the system of abkari management have had on the consumption of country spirit in this Presidency.

"I will first take the case of the city of Ahmedabad, the special instance in point brought forward in your article. You say that during the last few years the consumption of liquor in that locality has more than doubled. I give below a statement exhibiting the quantities of *licit* spirit sold in Admedabad and its neighbourhood during each of the last 10 years, together with an account of the duty collected on the spirit sold there in each year of that period:—

YEAR.	Tracts supplied with Liquor from the Distillery at Ahmedabad.	Population of the Tracts Supplied.	Number of Gallons of Spirit Issued from the Distillery.	Rate of Duty per Gallon.	Duty Collections.	REMARKS.
			Gallons.	*Rs. a.*	*Rs.*	
1872-73	Ahmedabad city and cantonment, and three miles round.	118,756	30,281	1 –	30,281	From 1872–73 to 1880–81 the city of Ahmedabad and its immediate neighbourhood was the only part of the district supplied with liquor from the sudder distillery. The privilege of making and selling liquor in the rest of the district was leased in a number of small farms. The farmers paid lump sums for their privileges. No restrictions were placed on the quantities of liquor they made and sold, nor was any record thereof kept. The petty farming system was abandoned and the whole district was first supplied from the Ahmedabad distillery in 1881–82.
1873-74	ditto ditto		30,787	1 –	30,787	
1874-75	ditto ditto		32,209	1 1	34,222	
1875-76	ditto ditto		38,662	1 1	41,078	
1876-77	ditto ditto		37,650	1 1	40,003	
1877-78	ditto ditto		33,926	1 1	36,046	
1878-79	ditto ditto		21,480	2 –	42,960	
1879-80	ditto ditto		23,286	2 –	46,572	
1880-81	ditto ditto		27,427	2 –	54,854	
1881-82	The whole of the district.	856,324	46,514	2 –	93,028	

"These figures show that the consumption of spirituous liquors in Ahmedabad, far from having doubled, has *decreased* considerably during the last four years, while the duty collections made during the same period have largely increased. The increase in the

the revenue realisations is due to the raising of the rate of duty from 1 rupee to 2 rupees per gallon from the 1st August 1878. The raising of the rate of duty of course compelled the liquor shopkeepers to raise their prices, and the prices now charged for country spirit in Ahmedabad are about 50 per cent. in excess of those that prevailed down to 1877-78, the year in which the system of abkari management, which you have condemned, was first introduced.

"Similar details regarding the consumption of country spirit and the duty levied thereon in the city of Bombay, and in the towns of Surat and Balsar and their neighbourhoods, for each of the last 10 years, will be found in the tables given at page 30."

[These tables are reprinted at the end of this paper. The first shows the consumption in the island of Bombay, gradually reduced from 907,445 gallons, producing 7,20,160 rupees of duty, to 630,521 gallons, producing 13,07,882 rupees of duty. The second shows the consumption in Surat and neighbourhood, reduced from four-fifths of a gallon per head to less than one-third; the consumption in the immediate neighbourhood falling from 85,523 gallons in 1872-73 to 45,222 in 1878-79. The third gives similar statistics for a third tract, showing consumption diminished from 56,853 gallons to 22,270.]

"It will be seen from the above that in Surat and Bombay, as in Ahmedabad, a large diminution has been effected in the quantities of *licit* country spirit passing into consumption. Similar results have been obtained in the rest of the Presidency, but the space to which this letter must necessarily be limited will not allow of my setting them forth in detail on the present occasion. Within the last five years the rates of duty levied on country spirit have been raised *everywhere*—in many districts they have been more than doubled—while the selling prices of country spirit have generally been increased by at least 50 per cent. The rates of duty are to be raised still higher, and are gradually being approximated to the customs duties levied on spirits imported from Europe. I do not think, then, that it can justly be said that the abkari policy now being pursued has resulted in any increase in the consumption of licit liquor.

"In order to put down the consumption of *illicit* liquor, which formerly extensively prevailed, Government have increased their expenditure on preventive establishments since 1877-78 by about one and a-half lakh of rupees a year, and they have, besides, obtained leases of the abkari management in most of the native states in the Presidency from which liquor smuggling was formerly rife. There can be no doubt that these arrangements have sensibly diminished the consumption of *illicit* liquor throughout the Presidency.

"In regard to the licensing of shops for the sale of country spirit there has not been, as you suppose, any increase in the number of shops licensed of late years. In 1877-78 there were in the whole Presidency, exclusive of Sind, 2,976 shops at which country spirit was sold; now there are only 2,474 such shops, *i.e.*, but one shop to each 5,676 persons. In some few localities the number of liquor shops has been increased. It is an essential point in good abkari administration to place *licit* liquor within easy reach of all persons wanting drink; otherwise they may be tempted to use smuggled liquor.

"In Ahmedabad several new shops were opened last year, and a petition objecting to some of them was made to the Collector, who, after inquiry, ordered four of them to be closed some time before your article under reference was published.

"I am somewhat surprised to find the 'Bombay Gazette' now charging the Bombay Abkari Department with the encouragement of drunkenness and immorality among the people. That you have not always held this opinion will be seen from the following extract from an article that appeared in your paper only last year, since when no change whatever has been made in our abkari system:—

"'In so far as Bombay is concerned, we are happy to bear testimony to the growing sobriety of the urban population of India. We have not before us any later returns than for 1880, but from the police returns of that year we learn that the cases of drunkenness had decreased from the numbers of the preceding year by the substantial figure of 657. Under the head of disorderly and indecent behaviour in the public streets, a class of offences which has close relations with drunkenness, we have the enormous falling off of 1,289 from a total in 1879 of 4,175. The number of persons charged with assaulting the police fell from 51 to 24, and petty thefts, also a variety of crime generally associated with drunkenness, decreased from 4,075 in 1879 to 2,558 in 1880, showing a decrease of no less than 1,517. In all classes of crime there was a decrease of no less than 5,274 persons charged. We cite these facts, which, if analysed, would corroborate our arguments in detail, to support the claim for increasing sobriety.'"

(2.) EXTRACTS, paragraphs 81 to 91, from the Bombay Excise Report for 1883-84.

Complaints against abkari policy.

"Para. 81. It may not be out of place if I notice briefly, before leaving this part of my subject, certain articles and letters that have lately appeared in local newspapers denouncing the abkari administration of this Presidency as being conducted on mere trade principles, with the sole object of raising revenue, with no regard for the well-being of the people, and with the result of a large access of dissipation and drunkenness. It has been alleged that the number of liquor shops has been multiplied in order to push the sale of intoxicating drinks, and that the increased and increasing collections of abkari revenue are due to a large and progressive increase in the consumption of spirituous liquors. The publication of these statements in newspapers, which to some extent reflect

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public opinion in Bombay, shows that considerable misapprehension exists as to the facts of the Government administration of this branch of the revenue, and that wrong impressions are prevalent concerning its aims and the results obtained which may be considered to require correction.

Refutation of charge of increasing liquor shops.

" 82. The allegation that the Department is encouraging the people to drink by opening additional liquor shops is disproved by the figures given in the table below, which show the total number of shops licensed for the sale of spirituous liquors throughout the Presidency in each of the last 10 years:—

YEARS.	Number of Shops Licensed for the Sale of		YEARS.	Number of Shops Licensed for the Sale of	
	Imported Spirit.	Country Spirit.		Imported Spirit.	Country Spirit.
1874–75	394	3,046	1879-80	415	2,398
1875–76	413	3,078	1880–81	399	2,351
1876–77	424	3,032	1881–82	411	2,452
1877–78	431	2,976	1882–83	378	2,558
1878–79	534	2,357	1883–84	392	2,553

Refutation of allegation of increased consumption.

" 83. As regards the alleged increase in the quantities of spirituous liquors passed into consumption, evidence of the same comprehensive character is not available. Before the revision of the system of abkari management in this Presidency was taken in hand (1876–77 in the island of Bombay, 1877–78 in the mofussil), it was only in a very few places that any record was kept of the quantities of spirit made and issued from the distilleries. Throughout the Presidency, except in Bombay and a few other large towns, the exclusive right of making and selling country spirit was farmed out to contractors for lump-sum payments without restriction as to the quantities of spirit made and sold or the selling prices charged, and no account was kept of the quantities passed into consumption. But, in a few places, public distilleries had been established, from which country spirit was issued on payment of still-head duty at fixed rates for the supply of shops situated within certain defined limits, and it will be seen from the statistics given below that the consumption of country spirit in each of those localities is certainly no larger at the present time than it was before the revision. For the town and island of Bombay, in which the liquor-drinking population is larger and the rate of consumption is higher than in any other part of the Presidency, complete figures for the last 12 years are available. These are set forth in the following table :—

Decreased liquor consumption in Bombay.

YEARS.	Number of Gallons of Spirit of Strength 25° U.P. passed into Consumption.	Rate of Still-head Duty levied on Mowra Spirit.	Rate of Tree Tax levied on Trees Tapped for the Manufacture of Toddy Spirit.	Number of Trees Tapped for the Extraction of Toddy to be used in the Manufacture of Toddy Spirit.
		Rs. a. p.		
1872 73	907,445	1 – –	6	26,755
1873–74	884,096	1 – –	6	25,467
1874–75	892,187	1 – –	7	22,544
1875–76	979,295	1 – –	7	24,815
1876–77	566,482	1 12 –	9	11,345
1877–78	653,557	1 12 –	9	22,407
1878–79	585,166	2 4 –	15	22,312
1879–80	594,980	2 4 –	18	16,505
1880–81	583,026	2 4 –	18	15,559
1881–82	630,521	2 4 –	18	17,699
1882–83	663,790	2 4 –	18	18,450
1883–84	698,396	2 4 –	18	18,757

Decreased liquor consumption in Ahmedabad.

The city and cantonment of Ahmedabad has for many years been supplied with country spirit from a distillery established in the neighbourhood. The quantities of spirit passed into consumption from that distillery in the six years preceding the revision averaged 33,919 gallons a year, and the rate of still-head duty levied was 1 rupee per gallon. In the same tract the sales of country spirit amounted to 32,882 gallons in 1882–83 and to 32,272 gallons in 1883–84, and still-head duty was levied in those years at the rate of 2 rupees per gallon.

Decreased liquor consumption in Surat.

The city of Surat also, as well as all shops within a radius of six miles round it, received its country spirit supplies from a similar distillery. The average quantity of spirit issued from the Surat distillery on payment of duty at the rate of *Rs.* 1. 4. per gallon in each of the six years ending 1877-78 was 91,813 gallons, while the supply taken by the city of Surat and the whole of the Chorasi taluka (population 154,608) besides, in each of the three last years, has averaged 83,036 gallons a year.

Decreased liquor consumption in Balsar.

In the town of Balsar a public distillery was established in the year 1873-74, which supplied that town and the shops within six miles of it. The average issues from that distillery for each of the five years ending 1877-78 amounted to 63,093 gallons a year, and

and the still-head duty rate was 8 annas per gallon; but for the last three years, with a still-head duty rate of *Rs.* 1. 8. per gallon, the sales in the whole of the Balsar taluka have averaged but 47,474 gallons a year.

Reasons for belief that consumption has not generally increased.

"84. If any general increase in consumption had taken place, there can be little doubt that it would have shown itself in one or other of the large cities just mentioned, each of which contains a large and thriving population more or less accustomed to the use of ardent spirits. But nothing of the kind has occurred in any of those cities, and, as the abkari administration has been conducted on precisely the same principles in all parts of the Presidency, the natural presumption is that the consumption of spirit has not generally increased elsewhere. Other considerations tend to the same conclusion. The rate of taxation on country spirit and the prices at which it is sold have been increased in every district. In the Konkan the highest rate of tree-tax levied before the revision anywhere outside the island of Bombay was 2½ rupees per tree, and that only in a single taluka of the Thana district. The rates levied now throughout the coast districts, except in the neighbourhood of the Portuguese settlements, range between 12 and 16 rupees per tree. Above the Ghâts the highest rate levied on mowra and molasses spirit before the revision was 1 rupee per gallon; now the lowest rate levied in any district in the Deccan and Southern Maratha country is 2½ rupees per gallon. In Bombay country spirit used to be sold at from 5 annas to 7 annas per bottle; its price now is 10 and 11 annas per bottle. In the Deccan and Southern Maratha country the selling price of spirit has risen from about 8 annas to 12 annas per bottle, and in Guzerat from 5 and 6 annas to 7 and 8 annas. At the same time that the selling prices of spirit have been raised efficient measures have been taken to check illicit distillation in British districts and the illicit importation of spirit from foreign territory. New establishments, whose duty it is to prevent and detect illicit practices, are now maintained at a cost amounting to nearly 2,00,000 rupees a year, and Government has leased from various chiefs, on payment of rents amounting to about 1,30,000 rupees a year, the right of directing the abkari arrangements in most of the Native states from which spirit used to be obtained for illicit importation into British territory. Before the revision no expenditure whatever was incurred on these accounts. Besides this, the farmers are now obliged, by conditions inserted in their licenses, to maintain private establishments at their own cost to keep watch on the proceedings of their retailers, and to obtain information about illicit distillation and kindred offences against the abkari laws; and many of them now do their duty in this matter very thoroughly and spend money freely in the employment of detectives. Moreover, increased attention has been paid by the Collectors and by the revenue and police establishments generally to matters pertaining to the abkari revenue. It is difficult to believe that consumption, licit or illicit, can have increased generally in spite of all these measures aimed at its diminution.

Increased taxation.

Increased selling prices.

Suppression of illicit distillation and importation.

Effects of increased taxation on consumption.

"85. It may be noticed that the figures given in paragraph 83 above, illustrating the progress of consumption in the city of Bombay, indicate that the levy of increased taxation has had the greatest effect on the consumption of spirit in the first year of the incidence of the enhanced tax, and that in consequent years the public demand for the more highly taxed liquor has gradually increased. The last few years' returns* of sales of country spirit in the Deccan districts and in Belgaum and in some of the Guzerat Collectorates, where the rates of duty levied on spirit have been raised at different times within the last six years, exhibit similar indications. But in no district and in no year has any large increase in the consumption of spirit been observable, except in the year under report, and then only in the city of Bombay, and in the districts of Thana, Kolaba, and Ratnagiri, and measures have been taken, as already mentioned, which will have the effect of again checking consumption in all those places. I believe that the gradual increase in the sales of licit liquor above noticed is due in part to the check given to the consumption of illicit liquor by the improvements that have been made from year to year in our preventive arrangements, and in part to the gradual extension among the middle and upper classes of native society of the habit of using strong liquors. There is no room for doubt that many natives now habitually drink spirit who, a few years ago, were total abstainers; and I do not think that the enhancement of the liquor-tax, or any other measure that Government could introduce, is likely to have much effect in arresting the spread of that habit.

Diminished consumption as a necessary result of increased taxation.

Evidence of experienced Government officers as to decreased consumption.

"86. I know of no reason for believing that the statements made in the newspapers regarding the increase of drunkenness among the people are well founded, except so far as they may relate to intemperance among classes that formerly did not drink. If the vice of drunkenness had spread, as alleged, it would have been accompanied by an increase in crime of the classes ordinarily associated with drunkenness, such as petty assault, intimidation, indecent behaviour in the public streets, &c.; and the magistrates and superintendents of police would have noticed the circumstance in their annual reports as accounting for the increase of crime of that class that they found themselves called on to explain. But, so far as I am aware, no increase in the number of such crimes has been reported in recent years. Government have not called my attention to any such report, nor

* These will be found in the Annual Administration Reports.

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nor have I received information from other sources to lead me to believe that the people of any district have lived more intemperately of late than in former years. On the other hand, there is good evidence to show that the revised abkari arrangements adopted in two of the most notoriously drunken districts in the Presidency, Thana and Kolaba, have had a most salutary effect in checking drunkenness among classes that formerly were most addicted to that vice. The following are extracts from official reports written by Mr. Mulock, C.S., when holding the office of Collector of Thana:—

"'The new abkari system, along with largely increasing the revenue of the State, has tended to raise the price of liquor and to prevent illicit distillation and tapping, thus largely discouraging the excessive drinking for which this collectorate was so noted. We cannot, of course, expect those who acquired the taste for strong drinks under our demoralising former or cheap-liquor system to at once leave off the bad habit of over-drinking and indulge only moderately. Still, I believe that many who drank before to excess can no longer afford to do so, and those who would have acquired the taste if liquor had remained at its former low price will now eschew it as an expensive luxury, and thus never acquire the habit of over-indulgence.

"'I have the last few months been a good deal in the sea-coast district, that I have known for over 10 years, and I would not ask you to credit the difference I notice in the people, and more especially in those of the jungly part, since liquor has been raised in price and the toddy trees remained untapped. Those who formerly spent their last farthing in liquor have now, they tell me, all a little balance to spend in some little comfort or another, and, although they grumble at the difficulty about buying liquor, they themselves are the first to admit how beneficial their more or less compulsory abstention has been to them and their families. Ask any large landholder or employer of labour in the collectorate, and he will tell you that he now gets a fair day's labour for the day's wages where formerly he never could succeed in doing so. He will tell you that he now can count on the daily attendance of his labourers where formerly the second day they were absent drunk on the proceeds of the first day. All I ask is, let this continue, and Thana will be no more noted for its hard drinking and crime than any other part of the Presidency.'

"In another letter Mr. Mulock writes:—

Evidence of experienced Government officers as to decreased consumption.

"'I must mention the benefits resulting to the people under the new system, and from the enhancement of the price of liquor. My assistants, mamlatdars, patils, talatis, &c., are unanimous in their praises of it, and having been some time in the sea-coast talukas I can corroborate their opinions in every respect. No one longer sees the general drunkenness of former days. Even the rayats themselves, while grumbling at its being hard on them that they cannot get the cheap liquor they formerly got, will admit that they are happier without it, and that the "zor," as they call the influence of the liquor-vendor, is now gone, and no more land is mortgaged to him in liquidation of his bills.'

"The following extract is from a letter recently addressed by an experienced revenue officer serving in the Kolaba district to the editor of the "Bombay Gazette," in reply to an article that appeared in that paper a few weeks ago, alleging that the present abkari policy has encouraged liquor-drinking:—

"'There is one thing certain to me about the present management of the Abkari Department, and that is, that it has diminished drunkenness in the North Konkan. I have had the honour to serve in that province off and on for nearly 12 years, and my service and personal tastes have been such as have brought me very much into friendly contact with the poorer classes, and especially with the hill and coast tribes, the Thakurs, Katkaris, and Kolis, men of the forest and the wave. Within my memory these people were literally slaves to drink. The coast Kolis were rarely sober when ashore; and in the hill and forest villages, where the people take their liquor like gentlemen in the evening, it was a common thing for every male soul above 12 years old to be stupid drunk by eight or nine o'clock p.m. I had at one time to do a great deal of night patrolling, and have often come into a village where not a soul could answer the simplest question.

"'Now all this is to a great extent a thing of the past. During the past three years I have had many of the coast Kolis serving under me as public and private servants, and have not once had occasion to punish them for drunkenness. I am now employing a good many of the forest tribes, and I find the same improvement. Of course, I do not mean to say that they never get drunk, but they are not drunk so often or at such times as to interfere with their earning their bread or to make them a common public nuisance. The reason they assign is that liquor is dear. One sarcastic old life-boatman added, "and the Sahebs of now-a-days are stingy.'"

"'There are occasional "temperance movements" among them and always have been in my memory. These are spasmodic, but no doubt the dearness of liquor assists them, and they seem to have more and longer life now than they had 10 years ago. Whatever may be said against the Abkari Department, it has had such a success in putting down intemperance as no teetotal association ever had.

"'In conclusion, and merely to avoid remark, I may say that I have been a teetotaller (from inclination and without pledge) and am not, and further that I have never been, an abkari officer properly so called, nor suggested any part of the policy of the Abkari Department, nor had anything to say to it except in the very incidental way in which abkari matters come before a local revenue officer who simply carries out his orders in that matter, or a magistrate, who simply administers the law, and before whom, in an excise prosecution, the abkari officers are almost as much on their trial as the nominal accused.'

Explanation of apparent discrepancies.

"87. It has been stated above that under the present system—

"(1.) The annual revenue has doubled itself;

"(2.) There has been no increase in consumption;

"(3.) The rate of taxation levied on spirit has been increased (roughly speaking) threefold; and

"(4.) The selling prices of spirit have been raised to the extent of about 60 per cent. only.

Explanation of apparent discrepancies.

"There are apparent inconsistencies between these several propositions that need clearing up. The explanation lies in the fact that the whole increment of revenue obtained has not been drawn from consumers; part of it has been taken from the various agencies engaged in supplying the spirit consumed. Duty rates and selling prices have been adjusted with reference to the cost of manufacturing spirit and bringing it to sale, so as to reduce the margin left to be divided as profit between the persons interested in the manufacture

Conclusions from foregoing remarks and figures.

facture and vend of spirit. I will first show how this has been effected in the case of toddy spirit. Before the revision no tree tax was levied except in the island of Bombay and in one taluka of Thana, and the rate of taxation imposed on toddy spirit was so low that the owners of toddy trees were in a position to charge high rents for the use of their trees, which the Bhandaris, who tapped them and made spirit from their produce, were able to pay, and at the same time earn an easy livelihood, without troubling themselves much about working their trees thoroughly. The imposition of a fixed tax on each tree tapped, the prohibition of the indiscriminate distillation and sale of toddy spirit, and the concentration of the business in the hands of a few large farmers, who guaranteed the payment to Government of a certain minimum revenue, and, at the same time, were bound to sell within fixed limits of price, led to a great reduction in the number of trees tapped, and in the rents enjoyed by tree-owners, as well as to a diminution in the number of persons who gained their living by drawing toddy, and by the distillation and sale of toddy spirit. It was to the interest of the new farmers to reduce their expenditure on manufacture in every possible way, so they used improved stills, and extracted the greatest possible quantity of toddy from each tree they had to pay for. At first these farmers made very large profits, but by degrees, as knowledge was gained of the real cost of manufacturing toddy spirit, it has been found possible to raise the rate of tree tax without raising proportionately the selling prices of toddy spirit, and thus to divert from the farmers' tills to the State treasury a larger portion of the price paid by the public for each gallon of spirit consumed. Similar results have attended the revision of arrangements with respect to the manufacture and sale of mowra spirit. The closing of the numerous small out-stills and the concentration of distillation at large central distilleries fitted with plant and machinery of modern pattern has led to a reduction in the cost of manufacturing mowra spirit, and experience has been gained in many ways, the outcome of which is that it has lately been found practicable to raise the rate of still-head duty charged on mowra spirit without making a proportionate increase in the fixed selling prices. In all the farms first leased under the revised system the selling prices were fixed at rates exceeding the still-head duty rates by 2 rupees per gallon, a margin of 2 rupees per gallon being allowed to cover the costs of manufacture and sale, and the profits of the farmers and their retailers; but experience showed that the margin first allowed was unnecessarily large, and in the case of all farms subsequently sold it has been reduced, first, to *Rs.* 1. 12., and more recently to *Rs.* 1. 8. per gallon. The result is, that the Government share of the price paid by the public for each gallon of mowra spirit sold is greater now by the amount of 8 annas than it was five years ago, while the farmer's share has been reduced by a similar amount. That the trade is able to bear this reduction of its profits is shown by the eagerness with which the current farms have been competed for, and by the circumstances that the whole of the revenue demand has been paid punctually, and without the issue of a single legal process.

Classes aggrieved and agitating.

"88. The closing of the small stills worked by Bhandaris, in the Konkan, and by Kalals, in other parts of the Presidency, has caused hardships which are to be regretted, but this could not be avoided under any system that aimed at bringing the manufacturer of spirit under sufficient control for certain taxation. Some of the Bhandaris have found employment as cultivators and agricultural labourers and others in the spinning and weaving mills established in Bombay. Many of the Kalals are now employed as retailers by the large farmers.

Aggrieved tappers and liquor manufacturers.

"89. Another class also has suffered besides the Bhandaris and the Kalals. The enhancement of the taxation of toddy spirit has resulted, as before-mentioned, in a large reduction in a number of trees tapped for the extraction of toddy, and the owners of toddy trees have consequently been deprived of part of the incomes that they used to enjoy in the shape of rents paid by Bhandaris for the use of their trees. The incomes of many rich and influential landholders of Bombay and its neighbourhood have been affected in this manner, and they, not unnaturally, are dissatisfied with the proceedings of the Abkari Department, and agitate against it on account of the injury that its operations have caused to their vested interests. Their grievances are real, but they are such as can only be relieved at the expense of the taxpayers. They have been treated by Government with much consideration, as toddy spirit is now, and always has been, much more lightly taxed than mowra spirit. In Bombay duty is now levied on toddy spirit at the rate of *Rs.* 2. 6. per gallon, while on mowra spirit the duty rate is *Rs.* 2. 12. a gallon, and besides the Government duty, a municipal town duty at the rate of 4 annas per gallon is levied on mowra spirit, from which toddy spirit made in the island of Bombay is exempt. In the districts of Thana and Kolaba the difference in the duty rates now levied on toddy spirit and mowra spirit amounts to at least 12 annas per gallon in favour of toddy spirit, and toddy spirit is allowed sale at rates varying from 1 rupee to 8 annas per gallon below those charged for the mowra spirit sold in the same shops. But even under these favourable considerations the trade in toddy spirit is fast declining. The fact is, that the great majority of consumers prefer mowra spirit to toddy spirit; so that toddy spirit is unable to compete with mowra spirit at anything like equal prices, especially when the prices of both are high, while at the same time the cost of manufacturing toddy spirit is greater than the cost of manufacturing mowra spirit. Toddy spirit is being driven out of the market by a cheaper and superior article. The case of the toddy-tree owners of the Konkan in some aspects is not unlike that of the Banjaras, whose carrying trade has been destroyed by the railways.

90. This

BOMBAY.

"90. This year the loss of income suffered by the Bombay tree-owner has been unusually heavy, as the Bhandaris have been on strike since the 1st August last, when the duty was raised on both mowra spirit and toddy spirit consumed in Bombay. The Bhandaris demand a reduction of the high rent,* 7 rupees per tree, that the owners of cocoanut trees have been charging lately for the use of their tree, and as yet the tree-owners have refused to give way. The consequence is that only about 500 cocoanut trees are now being tapped, against 18,000 tapped last year, and some of the toddy distillers have removed their stills to the public distillery recently established at Girinj in the Bassein taluka of the Thana district, in the neighbourhood of which brab trees, nearly if not quite as prolific in toddy yield as the Bombay cocoanut trees, are available in thousands at a yearly rental of 4 annas and 8 annas per tree. It is probable that close connection exists between this strike and the recent agitation against the Abkari Department.

"91. Another charge that has been freely alleged against the Department is, that it has forced the consumption of spirit by making toddy dear and scarce. There is no more foundation for this allegation than there is for that about the multiplication of liquor shops. The toddy that is commonly drunk in the raw state in all parts of the Konkan is the produce of date palms and bastard sago palms, while the sap of cocoanut and brab trees is almost exclusively used for distillation. Tree-tax is levied on cocoanut and brab trees at rates varying between 9 rupees and 18 rupees per tree, but the highest rate levied anywhere on date palms and sago palms is 6 rupees per tree, and the ordinary rate is 3 rupees, although there is little difference between the average toddy yield of palms of all these kinds. Again, before the revision, toddy was generally sold in the same shops as spirit, and the shopkeepers were then in a position to force the sale of the kind of liquor that paid them best. But since the revision the sale of toddy has been separated from the sale of spirit throughout the whole Presidency, except in three talukas of the Thana district and in one taluka of the Kolaba district, and there is now competition between the sellers of toddy and the sellers of spirit. In all talukas of Thana and Kolaba the maximum price fixed for the sale of toddy in toddy-shops is 8 pies per bottle, and toddy is also allowed sale at the tree-foot in all those talukas, except the four just mentioned, at the rate of 6 pies and 4 pies per bottle."

22. A strike, similar to that referred to in paragraph 90 above, took place in the cold weather of 1886-87, in the districts of Thana and Kolaba. It was quoted in the House of Commons as a movement among the population in favour of total abstinence from strong drink. As a matter of fact, it was a strike of the drinking classes made with the sole object of inducing the Government to reduce the tax on toddy-producing trees, and thus make liquor cheaper. The strikers, as was to be expected, were not able to maintain their resolutions of abstinence.

MADRAS.

MADRAS.

23. The excise system of the Madras Presidency has of recent years been completely changed. The old excise system is thus described in a letter of the Government of Madras, dated 15th September 1884:—

"4. * * * Under that system the monopoly both of manufacture and of sale in each district was assigned to a single contractor, who had to pay duty at a certain rate on each gallon issued from the distillery, and who further guaranteed to Government a certain revenue settled by competitive tenders. Maximum and minimum prices were fixed within which the contractor's licensees in the shops were bound to sell to consumers. The range of price permitted was 8 annas per gallon. There was a surcharge of duty at 8 annas a gallon payable on liquor sold in municipal towns, and for such liquor maximum and minimum prices were allowed in excess of the ordinary rates by 8 annas a gallon. Higher prices being possible in the towns than in rural tracts, higher duty was thus obtained. The imposition of a maximum price was intended to prevent the contractors from seeking to obtain all their profits by enhancing prices in the towns, and to give them an interest in affording proper facilities of supply to, and preventing illicit supply in outlying tracts. The work of prevention of illicit consumption was supposed to be provided for by the contractors. In adjusting the maximum and minimum prices, which were fixed by Government, allowance was made for cost of liquor, excise duty, cost of distribution within the district, charge for administration and prevention, and profits of renter and retailers. The leases were for periods of three years." * * *

"5. This, it will be observed, was a system of large monopolies artificially regulated. In its favour is to be said that it was superior to the farming system, pure and simple, which it superseded, and under which knowledge of the consumption and regulation of the

* *See* paragraphs 29 and 30 of the Abkari Administration Report for the year 1882-83.

the taxation were unattainable; that it led to concentration of manufacture and the use therein of improved appliances and cheaper methods; that the use of unwholesome materials in manufacture became impossible; and that the revenue was got in without risk or difficulty. In other respects it has failed to secure the advantages expected from it. The renters have not given adequate facilities for supply in outlying tracts and have closed large numbers of shops previously existing; they have almost invariably charged the highest price allowed under their contract; they have screwed down the profits of the retailers to such an extent that these men are forced to seek remuneration in illicit practices, which in such hands are specially dangerous to the revenue, and difficult to detect; they have done next to nothing for prevention; and they have looked entirely to their own profits and not at all to the interests of Government as hoped. The guarantee system has broken down. It was anticipated that the guarantees, which were to operate as a stimulus to the renters to work for revenue as well as for their own profit, would be settled by competition and ensure good management; but the large firms and capitalists who alone can embark in the business do not bid against each other * * * *."

24. The question was accordingly referred by the Government to a Committee. The object which the Government held in view was thus described by itself in the letter above quoted:—

"6. * * * The object in view is to raise the taxation on country spirits, which is now considerably below the import rate, up to that level. The extent to which this is possible at present varies in different parts of the country, with the habits of the people, the price which they can pay, and the facility with which illicit liquor can be made or sold with impunity. In some places, chiefly towns, it is possible at present, without inducing illicit manufacture, to obtain prices which admit of the import rate of duty being paid; and until this level is attained everywhere, there must be varying rates of price and of taxation. The problem is to devise a system which shall allow of sufficient range of rates, while affording reasonable security that the highest possible rates shall be reached in each locality * * * *."

25. The Committee describe their purpose somewhat more fully as follows:—

"3. The sale of intoxicating liquors is just as much a trade as that of any other kind of commodity, such, for instance, as bread, but there is this great difference between them, that while the sale of a necessary of life like bread need not be interfered with or regulated in any way, the sale of intoxicating liquors, if left to the unfettered operations of free trade, involves an enormous amount of drunkenness and crime, and therefore imperatively calls for regulation at the hands of any Government with any pretence to civilisation * * * *."

"4. * * * The policy that the Government have already announced of endeavouring to realise a 'maximum revenue from a minimum consumption,' though perhaps involving in its strict interpretation a verbal contradiction in terms, yet expresses with sufficient force and clearness what we consider the right course to pursue. It is, however, to be observed that while all taxation becomes revenue so soon as it reaches the public exchequer, yet it should be always borne in mind in connection with the taxation derived from the sale of intoxicating liquors that it is imposed primarily in order to restrain the consumption of such liquors and not for the purpose of making money out of their sale, and that the fact of the revenue so derived being large is merely an incident resulting from two causes: first, the determination of the Government to do all that lies in its power to repress a baneful trade in what is not a necessary of life; and second, the general prosperity of the people which enables them to spend on the indulgence of a vicious propensity money which might be better expended or invested. It follows, therefore, that every right-feeling Government will do all that it can to increase the taxation on intoxicating liquors up to that point (which may be called the limit of taxation) when the people, rather than pay for the high-price liquor which alone can be had in licensed shops, will take to illicit distillation and smuggling.

"6. To free trade in the manufacture of spirits and other intoxicating liquors the same objections do not apply. Here competition may do good by stimulating the production of better liquor, but its tendency will also certainly be in the direction of cheapening it.

"7. Acting on the above principles, the changes which we recommend for introduction into the existing system of making and selling country spirits in excise districts are—

"(1.) The sale separately of the privileges of manufacture and of sale.

"(2.) The breaking up of district farms of sale into taluk farms, or even smaller divisions in selected localities, in view to the eventual elimination of the middleman altogether.

"(3.) The fixing a standard rate of excise duty on country liquor on issue, and differentiating the total taxation in respect thereof by license-fees, or other methods of payment, for the right of vend, varying according to the circumstances of different localities.

 "(4.) The

MADRAS.

"(4.) The abolition of the surcharge system in municipalities where it now exists and the substitution, in its place, of the sale of shop-licenses by auction in all large towns.

"(5.) The throwing open to competition, but subject to the payment of a moderate license-fee, only the manufacture or supply in certain selected areas, where a total taxation on spirits may be expected to be realised approximating to the tariff rate.

"(6.) The eventual abolition of the Madras town abkari system and its assimilation to that proposed for excise districts generally."

26. The Government accepted in their entirety the proposals of the Committee, and brought the new system into operation from 1st October 1884. The following figures show its immediate effect both upon the consumption and upon the revenue:—

	Consumption in the Excise Tracts	Revenue from Country Spirits.
	Gallons.	*Rs.*
1883–84, first half - -	451,135	22,47,807 - Old system.
1883–84, second half -	494,109	
1884–85, first half - -	460,430	27,85,924 - Old system.
1884–85, second half -	447,759	New system.

27. The review by the Madras Government of the Excise Report of 1885-86 summarises in the following paragraphs the result of the introduction of the new system:—

"8. *Consumption of Country Spirit.*—The issues of arrack from distilleries in excise districts and in Madras town reduced to 30° under proof were 1,002,571 gallons, against 1,197,068 gallons in the preceding year (1884–85), and 1,214,200 gallons in the year prior to that (1883–84). The actual consumption (*i.e.*, sales by shopkeepers) showed a corresponding decrease.*

	Gallons.
*1883–84 - -	1,204,242
1884–85 - -	1,185,678
1885–86 - -	1,014,566

"The falling off in some cases, as for instance, in the districts of Ganjam, South Arcot, Tanjore, and the Nilgiris, was due, partly to an unfavourable season and agricultural depression, and, in the case of Ganjam, to other special circumstances, but the more general cause of the reduced consumption was, without doubt, the enhancement of selling prices as the unavoidable consequence of increased taxation. The operation of this factor was the most marked in the districts named in the margin."

	1883–84.		1885–86.	
	Issues.	Revenue.	Issues.	Revenue.
	Gals.	*Rs.*	*Gals.*	*Rs.*
Cuddapah - -	72,567	1,63,645	53,060	2,33,077
Bellary - - -	106,967	2,68,610	76,937	2,81,142
Tanjore - - -	43,699	1,00,000	33,804	1,18,748
Trichinopoly - -	52,481	1,14,996	37,538	1,25,900
Coimbatore - -	70,034	1,43,020	48,603	2,66,898
Nilgiris - - -	58,460	1,62,660	39,645	1,97,632
Salem - - -	78,817	1,74,278	51,871	2,37,664

"10. On the whole, Government see in the statistics of the year under review nothing to mar the satisfaction which the financial success of the new system affords. An increased revenue from reduced consumption is exactly what excise administration should aim at. No doubt if, with an apparent falling off, there had been an actual increase in the consumption of spirituous liquor, it would certainly be no matter for congratulation; but, excluding the single instance of the Ganjam district, of which the circumstances are exceptional, no proof is adduced that, during the year under review, illicit distillation prevailed to a larger extent than in those preceding it. However, with the moderation which, as was to be expected, the vend farmers for the current year have shown in their bids, and with distinct indications of prices adjusting themselves, there is no reason to fear that the consumer will be driven to resort to illicit practices; indeed, with the more efficient legislation and preventive organisation now introduced, there is much less reason than heretofore for such apprehension. It seems necessary only to add that Government do not consider, as Mr. Galton apparently does (paragraph 19 of the Report) that it is desirable to decrease the cost of liquor to the consumer; what, in their opinion, needs to be reduced, is the difference between the highest price the consumer will pay and the contribution the public exchequer receives."

BENGAL.

28. In Bengal, in 1883, the Government, having reason to think that the outstill system in force in that Province had been tending to increase the consumption of spirits, appointed a special commission of inquiry to examine the whole subject. The Commission found that there had been such an increase, and that it was due to the absence of limitation on the production of spirit under the outstill system, and to the opening of an excessive number of shops.

29. The orders of the Government are of only recent date, viz., 10th March 1886, and it is too soon to state their precise effect. They were (1) the introduction, wherever opportunities for close supervision existed, of the central distillery and still-head duty system; (2) in other places the regulation of outstills, so that the minimum license price should be the amount of duty calculated upon their capacity of production; (3) reduction in the number of shops, and certain restrictions upon sales.

30. The Government have given the following statistics:—

STATEMENT of EXCISE REVENUE and DUTY in BENGAL.

YEAR.	Population.	Number of Shops for Sale of Liquors of all kinds.	Number of Shops for Sale of Intoxicating Drugs.	Net Revenue from Liquors and Drugs of all kinds.
1.	2.	3.	4.	5.
				Rs.
1871-72 - - - -	66,856,859 (*a*)	32,460	16,615	61,96,443
1872-73 - - - -	66,856,859	31,479	17,119	66,42,620
1873-74 - - - -	66,856,859	31,704	10,975	68,41,407
1874-75 - - - -	62,724,840	27,453	9,240	53,29,284
1875-76 - - - -	60,398,117 (*b*)	26,234	7,424	57,88,804
1876-77 - - - -	60,398,117	25,712	7,092	59,50,527
1877-78 - - - -	60,415,224	26,072	7,248	65,74,356
1878-79 - - - -	60,432,487	27,545	6,999	67,53,668
1879-80 - - - -	60,486,398	30,532	6,877	69,44,572
1880-81 - - - -	60,486,398	34,973	7,145	82,92,226
1881-82 - - - -	66,589,859	39,281	6,796	91,02,672
1882-83 - - - -	66,589,859	38,109	6,499	95,16,414
1883-84 - - - -	66,589,859	28,139	6,513	1,01,67,600
1884-85 - - - -	66,589,859	27,254	6,291	97,57,619
1885-86 - - - -	66,589,859	27,017	6,008	92,73,635

(*a*) Census Report, 1872, including the population of the Province of Assam.
(*b*) Assam excluded.

31. It should be noted also regarding ganja that in 1883 the attention of the Government of Bengal was directed to the increase in the number of shops. The number had fallen from 4,934 in 1871-72, to 3,130 in 1876-77, but after that date had risen to 3,488 in 1881-82. Immediate measures were taken to reduce the number, which was only 3,126 in 1882-83. The duty paid by each maund of ganja (including both fixed duty and license fees) rose from 106 rupees in 1871-72 to 266 rupees in 1881-82, and was over 300 rupees in 1882-83.

NORTH-WESTERN PROVINCES.

NORTH-WESTERN PROVINCES.

32. In the North-Western Provinces, the system in force is mainly the distillery system, as the outstill system is confined to wild and sparsely-populated tracts, to frontier localities, and places bordering on Native States, where past experience shows that the introduction of the distillery system would be followed by large contraband trade. Under the outstill system, the number of outstills is fixed by the Revenue authorities according to the requirements of the tract, and each combined outstill and shop proposed to be licensed is put up separately for license to the highest bidder. Less than one-ninth of the total liquor revenue is realised by this means.

33. In a resolution, dated 6th September 1884, the Government discusses the question of increased consumption of spirits, and the following extracts are taken from this resolution:—

"Para. 11. The failure of the distillery system in some districts was very early discovered, and as far back as 1871-72 the farming system was restored in Banda and Hamirpur, with the very remarkable result of a more than tenfold increase of revenue:—

	1870-71. Distillery.	1871-72 Farming.
	Rs.	*Rs.*
Banda (two tahsils)	174	6,617
Hamirpur	2,296	20,400
TOTAL *Rs.*	2,470	27,017

"As Mr. Cadell justly remaks, 'it is inconceivable that the receipts for 1870-71 in any degree indicated the consumption of spirits in the two districts, or that those for 1871-72 proved a rapid change in the habits of the people.'

"From 1873-74 improvements were yearly made in the administration; the still-head duty, which was *Rs.* 1. 8·0 in the North-Western Provinces, was reduced to 1 rupee in order to equalise it with that of Oudh, and to reduce the temptations to illicit manufacture; the old system of differential duties according to the strength of the spirit was abandoned; and in districts where the distillery system was found to be unsuitable farming and outstills were introduced. The idea, sometimes entertained, that the excise administration of the Government tends to foster increased consumption of liquor, and consequently a spread of drunkenness among the people, has special reference to districts brought under the outstill or farming systems; and it is therefore very important to observe the enormous increase of gallonage in districts under the distillery system, a system devised to limit consumption, and of which it cannot be said now, any more than it could be said formerly, that it in any way encourages increased consumption. In paragraph 22 of the Commissioner's Report a Table is given, showing for every division of the two Provinces the number of gallons issued from 1872-73 to 1882-83. The totals for the united Provinces, as shown in the margin, exhibit a progressive increase up to 1876-77, a sudden fall of 50 per cent. in 1877-78 (a year of drought), and a rapid recovery afterwards; until, in 1882-83, the issues are 56 per cent. in excess of those of 1872-73, and this, notwithstanding the extension of the farming and outstill systems to an area of over 15,000 square miles, with a population of seven million persons. This increase of gallonage is very marked in every division of the Provinces except Agra and Sitapur.

Years.	*Gallons.*
1872-73	1,003,892
1873-74	1,034,449
1874-75	1,226,237
1875-76	1,367,575
1876-77	1,318,022
1877-78	675,418
1878-79	866,230
1879-80	1,160,956
1880-81	1,355,739
1881-82	1,469,022
1882-83	1,706,498

"13. And although the consumption of spirits has increased considerably in 10 years, still the total consumption is not absolutely very large. It amounts to little more than one pint for each adult male in the North-Western Provinces, and about three pints in the year for every adult male of the acknowledged drinking castes; the amounts for Oudh being respectively something under half a quart, and 2·15 quarts. The figures given in paragraphs 24 and 69—71 of Mr. Cadell's Report on this subject are interesting, and a comparison between the consumption of country spirit in these Provinces, and intoxicating liquor in England seems to controvert the idea of any general demoralisation.

Although

Although a great deal of the increased consumption is undoubtedly due to the substitution of duty-paying for illicit liquor, and is therefore more apparent than real, there seems to be no reason to doubt that a real increase of consumption has taken place in many districts; and in so far as this is due to increasing prosperity on the part of the people, it is no more than might have been expected. There is considerable difference of opinion among the officers who have written on the subject. Some consider that the habit of drinking has increased, and that there is a real increase in drunkenness; but the more general opinion is that no marked and widespread change in the habits or tastes of the people has taken, or is taking place, as to the use or abuse of liquor."

* * * * *

"15. As in previous years, the transition from the distillery system to outstills resulted in a large increase of revenue. The statement appended to paragraph 52 of the Report shows the increase of revenue since outstills were first introduced in 1880-81. Under the old system the revenue for the years immediately preceding the introduction of outstills amounted to 1,36,274 rupees; for 1882-83, under outstills, the revenue was 4,48,951 rupees, or 3·3 times as much. As the outstill liquor is cheaper than the distillery liquor, the increase in consumption must be proportionately greater than the increase in revenue. Some of this increase undoubtedly is more apparent than real, being due to the repression of illicit distillation; for it is the unanimous opinion of all who have interested themselves in the subject that illicit distillation disappears completely, and at once, wherever and whenever outstills are introduced. And great as is the rise in revenue, it is noteworthy that it only brings up the outstill districts to a level with the more productive of the distillery districts, in respect of the incidence of revenue per head of population. Thus, in Ballia, the most remunerative outstill district, the incidence is 1 anna 9 pies, whereas in Jaunpur and Mirzapur, under the distillery system, the incidence is 1 anna 10 pies and 2 annas 10 pies respectively; in Benares (this is perhaps hardly a fair comparison) the incidence is 4 annas 7 pies. And, again, if the outstill consumption, measured in gallons, is reduced to spirit of the same strength as in the distillery tracts, a good deal of the disproportion of gallonage disappears. When, however, full allowance is made for the substitution of licit for illicit liquor, and for the weaker spirit, there still remains a very large increase of consumption in the outstill districts to be accounted for. This increase, however, may not be greater in reality than that in the distillery tracts, and may be due to the same general causes, and not to the mere change of system; that is to say, if in these districts the distillery system could have been worked as successfully as in some other districts, it is possible that the same increase of consumption would have taken place.

"16. On the whole, it may be concluded that there has been an increase of consumption of late years not in the outstill tracts only, but throughout the Provinces, and that some increase of drunkenness has necessarily accompanied the increased consumption; but it does not follow that this could have been prevented by a different administration of the excise. Much must be attributed to the diminished price of liquor brought about by the greater cheapness of the materials used, and to the improved condition of the people, which enables them to spend more on drink. Regarding this latter point it may be observed that there is a consensus of opinion, on the part of officers best fitted to judge, as to the marked increase of material prosperity among the lower classes within the last few years."

"18. * * * * For these reasons the right policy (*vide* paragraph 75 of Mr. Cadell's Report) is undoubtedly to treat the outstill system mainly as a preventive measure, as a device to be brought into play when there is no other so effectual a method of defeating the contraband trade. From this point of view, the system may be legitimately used in districts where there is much jungle or outlying country facilitating illicit distillation, or in border tracts, where smuggling from beyond the Provincial jurisdiction cannot be guarded against. But in the interior of the provinces, in districts that present no abnormal difficulties, the proper course is gradually to withdraw the outstills, and to re-introduce the sudder distillery system, accompanied with improved and strengthened administration. Better built distilleries, better paid and stronger establishments, the organisation of some detective agency, and especially the punishment of offences against the excise law in a manner to be effectively deterrent; all these measures should be adopted in order to give the sudder distillery system every chance and advantage over the contraband trade. At the same time, the distribution of the liquor must be so arranged that neither vendor nor purchaser shall have just cause of complaint.

"19. The Lieutenant Governor and Chief Commissioner has determined to adopt the policy generally sketched out in the foregoing observations; and in pursuance of it he has agreed to a considerable restriction of the outstill area in the interior of the provinces, leaving the outstills so ranged along the outer tracts as to guard the frontier and the wilder districts. His Honor trusts that all district officers, whose active co-operation is so indispensable to the success of this policy, will spare no pains to support it. If it is true, as is so frequently affirmed, that the immediate rise of revenue that accompanies the introduction of outstills is the measure of illicit distillation 'stamped out,' then there must be other means of repressing such extensive illegalities in ordinary districts, with

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the large police and revenue establishments at the disposal of the chief executive officer. If, however, special detective and preventive agency is found to be needed, the Government will be ready to consider the recommendations of the Board upon this point.

"20. The Lieutenant Governor and Chief Commissioner is quite aware of the reasons which render an increase in the consumption of liquor, and consequent rise of revenue, not only natural, but inevitable. And it is observed, with reason, in the Report, that during the last 20 years the gross receipts have not increased to any remarkable or unaccountable degree, having regard to the growing prosperity of the country, and to improved administration. It is also pointed out that in the best-managed sudder distillery districts the average consumption per head is often as high as in tracts under the outstills. Nevertheless, the excise revenue is in many ways so important that the details of its development require to be carefully watched in every district; and the Government will not be satisfied until by steady and continuous persistence in a systematic policy the proper conditions of good and effective management have been ascertained, and until fair progress has been made in bringing the consumption of spirituous liquors and drugs under regular taxation and uniform control."

* * * * *

"37. The subject of chandu-smoking has engaged the attention of many officers, without eliciting any proposal of practical interest. The total prohibition of the practice has been tried and has failed. It is absurd to attempt to make the private use of chandu penal, but the public use of it should be discouraged in every way. New licenses should not be granted without careful inquiry as to the need for them, in order to prevent the opening of illicit shops; and it seems desirable to reduce the chandu and madak shops to the lowest possible scale. It is understood that considerable reduction has been made during the current year, and that more will be made next year."

PUNJAB.

PUNJAB

34. The Government of the Punjab contend that the remarks contained in the letter from the President of the Congress have little or no application to that Province, where the outstill system has only been experimentally introduced into three tahsils of one district, and where liquor has been so highly taxed as to have led to illicit distillation and smuggling on a considerable scale in those parts of the Province where the population is addicted to drinking. The Financial Commissioner of the Punjab states that the excise system of that Province can have in no way encouraged drinking, for, while the population since 1867-68 has increased by about 7 per cent., the consumption of spirits during that period has been almost stationary; that during the same period the largest consumption in any one year was in 1867-68, when it reached 141,814 gallons, and that even this quantity falls at the rate of only one-sixteenth of a pint per head of the population per annum.

35. This refers to the absolute number of gallons consumed, as the consumption reduced to the standard of London proof shows a continual increase. A statement which is appended to the Finance Commissioner's memorandum upon the excise system shows that the consumption has gradually risen from 88,128 gallons (London proof) in 1865-66, to 121,154 in 1884-85. The taxation at the same time, including both still-head duty and license-fees, has risen from 4,84,796 rupees to 6,95,513 rupees, having been, throughout the period, between 5 rupees and 6 rupees per gallon. The number of liquor shops at the same time has increased from 874 to 1,722, this last number giving one for every 10,000 or 11,000 of population.

LOWER BURMA.

BURMA.

36. The Chief Commissioner of Lower Burma gives the following account of the excise system in that province:—

"3. Up to 1871-72 the Excise Department of the Province was worked under the farming system, which consisted in disposing of the monopoly to sell drugs or spirits in large tracts of country to one person or company under certain restrictions. Opium was sold from the Government Treasuries at 24 rupees a seer, except in one district of Arakan bordering on Chittagong, where the price was fixed at 20 rupees, afterwards raised,

raised, in 1871-72, to 22 rupees, as that was the price at which it was sold in Chittagong. Licenses were issued for the sale of ganja up to the year 1872, since which the cultivation, sale, or possession of that drug has been absolutely prohibited.

"For the manufacture of so-called 'country spirit,' after the European method of distillation, there were three licensed distilleries: one at Akyab, one at Rangoon, and one at Moulmein. At Akyab the spirit farmer was also the distiller, and he paid Government *Rs.* 2. 4 a gallon on the quantity of spirit passed out from the distillery. At Rangoon and Moulmein the distillers each paid Government a lump sum of 10,000 rupees a year for the privilege of working the distillery, and this sum covered all charges on the part of Government, no duty being levied on the produce of the stills. In 1869-70 a similar method was adopted at Akyab, the distiller paying 3,000 rupees a year to Government.

"4. The distillery system was not found to be satisfactory, in so far as regarded outlying stations at great distances from the distillery, to which, especially in the rainy season, people were not willing to come for their supplies. The difficulty of obtaining spirits from the central distilleries no doubt gave rise to much illicit distillation, and there was a gradual falling off in the rents paid for the spirit farms, and in the quantities of spirit taken from the distilleries. It was decided when the new Excise Act (X. of 1871) came into force to make a change of system, to establish, in tracts where there was a considerable and compact population consuming spirits, central distilleries, in which distillers could place their own stills for the preparation of spirit; and in the large tracts of country from which the distilleries were too distant to be a convenience, to establish either the outstill or monthly tax system, in order that the people in these parts might have no excuse for illicit distillation. Accordingly, on the 1st April 1872, when the new Excise Act came into force, new rules were introduced authorising the disposal of licenses in the following manner: the three central distilleries already alluded to were continued, but the system of charging a high fixed rental for working them, a system which had been found to be too favourable to the distiller, and bad in principle, as tending to encourage a large outturn of spirit, was abolished. In lieu of this the distiller was charged a nominal license fee, and on each gallon of spirits passed out for consumption a stillhead duty of *Rs.* 2, 8 a gallon was levied. In the interior, licenses were granted for the manufacture of spirit after the native method of distillation, a monthly sum being paid for the privilege of working a still of certain capacity. The mode of disposing of the right to sell the spirit by retail was also modified. Instead of the monopoly being farmed out to one person in each town, with the option of opening shops where he thought proper, licenses were granted for shops at specified places, selected by the Deputy Commissioner in communication with the superintendent of police, and these licenses were sold either at a fixed rate or to the highest bidder, at the discretion of the Commissioner of the division. In the case of tari or toddy (the sap of the palmyra and other palm trees), licenses for its sale in an unfermented state were issued at a nominal fee, while the fee for a license to sell fermented toddy was also moderate. It was the wish of the Government of India * that a 'heavy duty should not be imposed on toddy, lest, owing to over-taxation, the people should be driven to have recourse to stronger spirits or even to injurious drugs.' It was, however, provided that farms for the retail vend of fermented toddy within given tracts of country might be granted by district officers with the previous sanction of the Commissioner of the division.

"5. The general system above described has been maintained ever since, modifications in the rules and changes in the number of licenses disposed of being made from time to time as circumstances seemed to require. In 1876 the rate of duty on spirit made at distilleries was raised from *Rs.* 2. 8 to 4 rupees a gallon for spirit of London proof, so as to assimilate the rate to that levied on imported spirit. This rate of duty was maintained to the end of March 1886, when, as the outcome of representations that had been made to the Local Government time after time, for many years, by the Rangoon and Moulmein distillers, that their high rate of duty served as an encouragement to illicit distillation, and that their business was being seriously injured by the importation from the Straits of large and increasing quantities of a liquor known as 'Penang rum,' the duty on distillery spirit was, as a temporary measure, reduced to 3 rupees a proof gallon. In consequence of the raising of the duty on imported spirits the Rangoon distiller has been called upon to show cause why the duty on the locally-distilled liquor should not be raised to *Rs.* 3. 12 or 4 rupees."

* * * * *

"8. With regard to the last sentence of the letter under reply, it may be stated that 'the right to license outstills' has never been farmed to the highest bidder. A certain number of licenses to work outstills are granted every year in localities where they are believed to be necessary, in order to meet a genuine demand for liquor, which would otherwise be supplied by illicit distillation. These licenses are put up one by one at public auction, and sold to the highest bidder.

"9. There is some difference of opinion regarding the increase of drunkenness amongst the natives of the country. The main difficulty with which the Administration has to cope

* Despatch No. 1538, dated 31st July 1872, from Financial Department.

LOWER BURMA.

cope is the illicit manufacture of spirit in a country where a sparse population and heavy jungles render illicit manufacture specially difficult to detect. Until this difficulty can be more effectually overcome it is useless to attempt to introduce greater stringency into the rules regarding the number and arrangement of licensed shops. In the large seaport towns of Rangoon, Moulmein, Bassein, and Akyab, as in every seaport throughout the world where sailors congregate, more or less evidence of the evils attending indulgence in strong drinks is certainly to be met with ; but it is hoped that, taking the province as a whole, the people are not to any great extent falling into habits of over-indulgence in intoxicating liquors."

37. The principles upon which the outstill system is to be worked are contained in the following extract from the Excise Commissioners' instructions :—

"*Form* XII.—*Outstill License.*—This license will be more used than it is at present. The attempt to induce people to drink distillery liquor has failed, probably because the price at which it can be sold is too high, and the liquor sold under these licenses has, no doubt, generally been illicitly-distilled liquor, which, though sold perhaps at the same price per bottle, is stronger, and yields the vendor a far higher profit. Something has been done in certain districts to check this illicit manufacture. It is impossible, however, to do more than temporarily check it, unless, where the demand for cheap liquor is considerable, a licit supply is made available. The foreign liquor licenses will not in all cases effect this, the price of these liquors being high. It is consequently necessary in most districts to establish outstills under the supervision and restrictions described in Rules 45 and 46. The outstill system is a fair one if the outturn of the still is controlled as much as is possible. In no case that I have yet seen, except perhaps at a district head-quarters, including Akyab, where the license fee is high, has a still of more than 10 gallons been required, and even this is only worked, as a rule, four or five times a month, two boilings, or at most three, being done in the day. At certain seasons of the year distillation may be more frequent. In the rarest cases only should a still exceeding 10 gallons be permitted, and the working should be most carefully watched. The number of working days per month should also be limited with care. If a licensee is allowed to have a still of a large size, and is allowed to distil any quantity, irrespective of the fee he pays, and of the demand of the locality for liquor, he may endeavour to force a demand. The possibility of this should be prevented, so far as may be, by limiting the number of days per month on which distillation is permitted so that he may be obliged, allowing three brews to the day, the outturn of which will generally be at least five gallons of saleable spirits, 30 degrees to 50 degrees U.P., to work his still nearly every permitted day to satisfy the legitimate demand. The amount of spirit which the still should be permitted to produce should bear some sort of relation to the license fee paid, it being borne in mind that the license fee is partly in lieu of duty. Careful supervision will gradually make it possible to determine with fair accuracy in each case the relation which should subsist between permitted outtrun and license fee. The demand will no doubt grow ; it is to be expected that it should. What is necessary is to endeavour to make the supply follow and not excite the demand. At the same time the licensed outstiller must not be overweighted with restrictions, or the outstill will fail in one of its chief objects, the repression of the illicit trade. Clause 3 of the license requires that notice of the intention to distil should be given to the officer in charge of the police station where the outstill is situated. It should be easy to see that the still is not worked more than the fixed number of days per mensem. It is, perhaps, needless to add that *dates* for distillation cannot be fixed in the license, as the time when the wash or wort will be ready for distillation is always more or less uncertain. An upset price should be fixed according to circumstances. Probably in the districts of the Pegu and Irrawaddy divisions a sufficient upset price for an outstill would be 500 rupees. In smaller and poorer districts the upset price may be less than this."

38. The statistics given by the Chief Commissioner show that the number of shops for liquor rose from 1,137 in 1876-77 to 2,465 in 1881-82, and since then has fallen to 1,346. For drugs the number of shops has recently been reduced to 17 only.

CENTRAL PROVINCES.

CENTRAL PROVINCES.

39. The Chief Commissioner, Central Provinces, says that the state of things described by the President of the British and Colonial Temperance Congress, London, does not exist in these provinces, for although a weak spirit distilled from the mohwa flower has always been consumed chiefly by the large aboriginal population in the provinces, yet the excise system in force is not that described in the President's letter. The Chief Commissioner states that he has always been careful not to countenance any measures calculated to create or foster a taste for spirits. The system of farming the right to license outstills to the highest

highest bidder was in force under native rule and down to the time when the Central Provinces were formed, and it was abolished upwards of 20 years ago. There are now three kinds of distilleries in those Provinces, viz., sudder distilleries, contract stills, and outstills. No still, not even an outstill, can be worked in any place without a license from the Collector of the district; if the Collector proposes to increase the number of distilleries in his district he must obtain the sanction of the Local Government to that step; the precise number of shops to be opened in each district is fixed by the Collector, subject to the control of the Commissioner of Excise and the Local Government; a shop cannot be opened in any village without the Collector's permission, and, in short, a strict control is maintained over the establishment of both stills and shops. CENTRAL PROVINCES.

40. The following paragraphs are quoted from his letter:—

"5. * * * * * As to the habits of the people in the matter of drinking, it is of course true that, in accordance with their religious sentiments, Hindus of certain of the higher castes and Mahomedans do, as a body, abjure drink, but in these Provinces these classes form but a small portion of the total population. We have here, in a country much of which is wild and hilly and covered with long stretches of forest, a large aboriginal population, and in certain parts of the Province large numbers of persons of the lowest castes, who with their forefathers have always been accustomed to the use of liquor made from the flower of the mohwa tree. This tree occurs abundantly all over the Central Provinces, and the process by which spirit is distilled from the mohwa flower in the wilder parts of the country is of the simplest character; a couple of earthen pots and a piece of hollow bamboo to form a tube constituting the distiller's apparatus. There is not a district in some portion of which spirit cannot under these circumstances be distilled illicitly without much fear of detection, and experience has proved most convincingly that unless the inherited taste of these people for this stimulant is satisfied by the establishment within their reach of shops where they can buy taxed spirit, they will resort to illicit distillation, and render themselves liable to the penalties of the criminal law. It would be useless, even if it were expedient, to attempt to suppress consumption by refusing to license shops. Smuggling and its demoralising effects, prosecutions and criminal penalties would, under the conditions of these Provinces, be the inevitable result. The wisest policy is to adopt such measures as will operate as a check on excessive drinking, and this is the policy which is followed here. It may be added that in the malarious tracts which abound in the Central Provinces, it is quite possible that the moderate consumption of a weak spirit, such as that ordinarily consumed in these Provinces, has its beneficial effects in protecting the people from chills and fevers. But however that may be, there is the fact that the use of liquor in this part of the country has no connection with the advent of British rule, and that steps were first taken upwards of 20 years ago to restrict its consumption.

"6. Enough has been said to show that, as concerns the Central Provinces, the information on which the letter from the President of the Congress is based, is entirely misleading both in regard to the excise system in force, and the habits of the great mass of the people in the matter of drinking. It only remains to deal with the inquiry made in your letter under acknowledgment, whether or not the rates of duty on liquor and drugs have been increased or decreased since the year 1860-61. The rates of duty on drugs have been materially increased, more especially of late years, and the consumption both of opium and ganja, the drugs in commonest use here, is very strictly controlled. It is less easy to give a definite reply to the inquiry in regard to liquor, because we have no complete statistics of consumption. The collection of such statistics in a country such as this, and under the excise system found to be best suited to its varying circumstances, is an impossibility, and also because a portion only of the total sum raised by the taxation of spirit is taken in the shape of a direct duty. But there can be little doubt that the price to the consumer of taxed spirit of a given strength is considerably higher, especially in some of the larger towns where the monopolies of vend now fetch high prices owing to keener competitions than it was in 1860-61."

41. The statistics given by the Chief Commissioner show that the number of shops, which stood at about 6,000 from 1865 to 1880, has in recent years been about 8,000. The revenue from liquor, which was six or seven lakhs up to 1875, has recently gradually increased up to 14½ lakhs.

ASSAM.

ASSAM.

42. The Province of Assam contains tracts of country which widely differ from each other in respect of population and customs.

43. Regarding the aboriginal races, whose abstemiousness English administration is supposed to have corrupted, we quote the following extracts of letters submitted by the Chief Commissioner :—

From the Deputy Commissioner of *Kamrup*, No. 3224, dated 18th March 1887.

"3. When the British occupied Assam, almost every cultivator of land grew a patch of poppy in the cold weather, and as the use of the drug is acquired in its most fascinating form by smoking, the householder, as well as his women and children, were confirmed opium consumers, as the drug was collected by wiping off the juice of the poppy-heads on rags, which, on being dried, were quite prepared for smoking at the end of an ordinary pipe.

"4. Owing to the action of Government in stopping the cultivation of poppy in Assam in 1861 and introducing abkari opium in cakes, the use of the drug is now limited almost exclusively to adult men; very few women, and no children, are addicted to it. The few women who consume it now are ordinarily of the prostitute class, which is necessarily very limited, and, for statistical purposes, may be excluded altogether. The price of abkari opium has been gradually raised from 10 rupees per seer to 32 rupees, so that additional discouragement has been given to its indiscriminate use."

"8. I am not aware that it is an historical fact that native dynasties frowned on the use of intoxicating liquors and drugs, and that they were practically unknown in former times. I have already stated that under the Assam kings no restrictions whatever were placed on the consumption of opium; and if the use of intoxicating liquors was not extensive, it was owing to the superior attraction of opium as an exciting medium, and its extreme cheapness. It is not on record that any measures were ever taken by native dynasties to restrict the use of intoxicating drugs and liquors.

"9. The inhabitants of Assam have increased enormously in wealth since they have been under British rule, and can now, if they like, indulge in more refined methods of intoxication. It is within my recollection when large masses of the population ate their food off plantain leaves, not being able to afford brass dishes; when salt was a luxury, and its substitute in ordinary use was potash obtained from the ashes of dried plantain leaves and other vegetation; when the only garments worn by the people were woven in their own houses, and Manchester goods were unknown or restricted to the rich. In such a condition of poverty, it was obviously impossible for the population to indulge in expensive stimulants, but opium was grown by all, and was used by nearly all, as the cost of cultivation was trifling, and brought it within the reach of the poorest. Physically, the drug was most debilitating, and to its indiscriminate use in former times may be traced the puny appearance of the inhabitants in many parts of the province at the present day. I think, if these facts were brought to the notice of the Congress, it would admit that the British system of excise, in Assam at least, has been productive of good, and not of evil."

From the Deputy Commissioner of the *Khasi* and *Jaintia Hills*, No. 2519, dated 8th November 1886.

"2. With reference to the points raised by the President of the British and Foreign Temperance Congress I have the honour to remark as follows :—

"As regards the district of the Khasi and Jaintia Hills the remarks hardly apply, as outside of Shillong excise rules cannot properly be said to apply. On the broad question, my opinion is that were there no excise system in India drunkenness would vastly increase with the increase of prosperity which this country enjoys. The Jaintias are, perhaps, the most drunken race in the Province, if not in India, and they pay no excise taxes. Several times respectable Jaintias have implored me and my predecessors to introduce the excise system with the express view of lessening intemperance, but for various reasons this measure has not yet been adopted. Of course it would be idle to deny that the establishment of a shop at a place where one was not in existence before tends to increase the drunkenness of that particular locality. But this to my mind only shows that the desire to drink is omnipresent, and that if the demand now creates a supply in spite of the heavy taxes raised as excise duty, and, in spite of all the vexatious rules and checks regulating the traffic, in the absence of these taxes, rules, and checks for every one shop now in existence, there would be a score if the Excise Department were abolished, unless, indeed, the manufacture of liquor was altogether prohibited throughout India. I should imagine that this is a measure which not even the Temperance Society would advocate; but, if they should do so, I would oppose it on the grounds that it would be an intolerable interference with the liberty of the subject; that India cannot afford to lose any revenue at all just now; that the excise tax is the least burdensome of all taxes, since no one need drink unless he likes; that all civilised nations drink, and apparently in exact proportion to the extent of their civilisation and general progress (England taking the lead)."

44. The

44. The general condition of the Province may be stated in the words of the Chief Commissioner's letter.

"3. It will be observed that all officers are unanimous in their opinion that the excise system of Assam has in no way tended to cause increase of intemperance amongst the people, and in this opinion the Chief Commissioner entirely agrees. The figures furnished in the two statements appended to this report show very clearly that, except in the case of country spirits, the policy of this Administration since the Chief Commissionership was formed has been to reduce the number of excise shops in the Province. Before 1874–75 the *mahal* auction system prevailed; that is to say, the right to license an unlimited number of shops (opium, country spirits, *ganja*, &c.) in each *mahal* or defined sub-division of a district was put up to auction. Subsequently, this system was modified somewhat by auctioning the right to open a limited number of shops only in the *mahal* sold, the auction-purchaser being allowed to locate his shops where he pleased. In the case of country spirits the auction price of these *mahals* was all the revenue that the Government realised. In the case of opium and *ganja*, the Government levied a duty on the drug that passed into consumption in addition to the auction price of *mahals*. This duty, as the reports of the Excise Commissioners show, has been considerably raised within the last 20 years.

"In 1882–83 the *mahal* auction system was abolished and the shop auction system introduced. Under this latter system the Commissioner of each excise division fixes the locality and limits the number of shops in each district, and each shop is separately put up to sale, duty on opium and *ganja* being realised in addition, as under the *mahal* system. Under this system a better control is exercised over the consumption of articles of excise, shops are better distributed, and their number has been, and is still being, reduced to the lowest number compatible with the legitimate requirements of the public.

"4. In regard to country spirits, it is impossible to ascertain what the actual consumption has been of recent years, as the shopkeepers cannot be made to keep accurate accounts. In the case of *ganja* and opium we know what the consumption is, because these articles of excise pay duty on what is actually passed out of the treasury or *ganja golahs* for consumption. It is, however, quite certain that the consumption of country spirits has largely increased within the last ten years, and will still go on increasing as the immigrant foreign population imported by our tea-gardens increases. In the six districts of the Assam Valley the native Hindu population do not as a rule consume country spirits. They prefer opium, while the semi-Hinduised aborigines brew their own liquor, which is not taxed so long as it is brewed for home consumption and not for sale. The number of liquor-shops in the Assam Valley division was:—

	Population.	Number of Country Spirit and Rum Shops.	Number of Liquor Shops of all Kinds.*
In 1874–75 - - -	1,916,697	75	111
In 1879–80 - - -	- - -	126	185
In 1885–86 - - -	2,225,271	168	256

"In explanation of these figures, I am to refer you to paragraph 5 of the Report of the Commissioner of the Assam Valley Districts. The Commissioner has been taking steps to reduce the number of country-spirit and rum shops as far as possible, but the legitimate wants of the immigrant tea-garden population must be supplied. If we closed the shops or reduced them materially, they would brew for themselves.

"The whole principle of our excise system is to prevent this home or illicit brewing, by the establishment of a sufficient number of licensed shops to satisfy the legitimate wants of the people. It is needless to say that this Administration does not recognise the desire to get drunk, where it exists, as a legitimate want, nor does Mr. Ward think that the number of country-spirit and rum shops now existing in any district of the Province is such as to encourage such a desire where it does not exist.

"6. The President of the British and Colonial Congress does not notice intoxicating drugs. The following statement gives for each excise division the number of *ganja* and opium

* *i.e.*, country spirits, rum, imported wines, *tari*, *pachwai*. *Tari* and *pachwai* shops do not exceed six in the whole Division. Imported wines are rarely consumed by the masses.

ASSAM.

opium shops open at different periods during the past 11 years and the actual consumption:—

DIVISION.	Number of Shops.	CONSUMPTION IN MAUNDS.						Revenue derived from Intoxicating Drugs.
		Ganja.			Opium.			
Assam Valley Division—		*Mds.*	*srs.*	*ch.*	*Mds.*	*srs.*	*ch.*	*Rs.*
1874–75 - - -	3,782	184	19	4	1,729	34	0	11,50,372
1878–79 - - -	1,293	147	0	11	1,559	20	0	15,45,848
1885–86 - - -	1,273	139	12	8	1,355	22	15	16,48,406
Surma Valley and Hill Districts Division—								
1874–75 - - -	700	683	29	13	107	17	0	1,53,676
1878–79 - - -	377	440	1	2	95	39	0	2,03,953
1885–86 - - -	342	376	14	0½	90	33	2	2,56,067

"The large reduction of shops is explained by the abolition of the *mahál* system referred to above. The reduction in the consumption of intoxicating drugs in both Divisions, accompanied by an increase in the revenue, is a fact which may, the Chief Commissioner thinks, be brought to the attention of the President of the British and Colonial Temperance Congress as illustrating the principles upon which the administration of the Excise Department is conducted in Assam."

OTHER PROVINCES.

OTHER PROVINCES.

45. It remains to note the circumstances of three smaller provinces under British administration. The first of these, Berar, is in many of its features akin to the Central Provinces, and the Commissioner gives the following account of it. He states that the farming system, whereby the monopoly of vend within a given area is put up to auction and is disposed of to the highest bidder has been in force since the assignment of the province to the British Government; that the number of retail shops is strictly limited to that clearly required by the wants of the people, and that the contractors are on no account allowed, without the special sanction of the Deputy Commissioner, to increase their number, the object of course being, it is stated, to obtain the highest possible amount of revenue distributed among the smallest number of places of vend, or, in other words, to heighten the price of liquor as far as possible. The Commissioner is of opinion that any greater restriction in the number of places of vend for liquor would probably force the people to distil surreptitiously for themselves, for the only spirit manufactured in the province is that distilled from mohwa, and mohwa trees abound in Berar. The Commissioner says that, apart from the rise of the revenue, which may sufficiently be accounted for by the growing numbers and more diffused wealth of the population, there are no indications that inebriation is at all a common or increasing vice among the people.

46. The number of liquor-shops has been about 2,400 ever since 1870, except for three years, 1875 to 1878, when it fell to about 1,800. The revenue fell from 9¾ lakhs in 1870-71 to 8 lakhs during the period 1873 to 1878, but since then it has gradually increased to about 11 lakhs.

47. As regards Coorg, the Chief Commissioner states that the system of farming to the highest bidder the right of manufacture and sale of spirits is the old native system which prevailed in Coorg down to 1860–61 and is still in force in old-fashioned Native states, and that under this system there was no check at all on the amount of liquor the contractor could brew or the number of shops he might establish. The first result of the sudder distillery system was in Coorg a falling off of revenue; but in 1870–71, under the influence of prosperity from expansion of coffee enterprise and from better management, the revenue greatly increased. In 1873–74, and again in 1877–78, the still-head duty was raised, but though these measures must have made the liquor considerably

siderably dearer, they did not apparently check consumption, for the revenue went on increasing. The Chief Commissioner says that for the last four or five years the revenue has shown some tendency to decrease, apparently on account of the depression of the coffee industry. The Chief Commissioner agrees with the Commissioner in thinking that Government in Coorg is not open to the reproach of having led the people into intemperance by its abkari system; that the Temperance Congress appears to him to be under a misapprehension as to facts, for in the Punjab and in Coorg, the two parts of India in which the Chief Commissioner (Mr. Lyall) has personal knowledge of the question, the result of the abkari system of the British Government has been to immensely raise the price of arrack above that at which it was sold under native rule and in the earlier years of the British administration. It is stated that spirit which sold formerly at two annas per bottle or less, now sells at one rupee. The Chief Commissioner observes that certain classes, or individuals of certain classes, may have taken to drinking under British rule, who, in former days, were prevented by tribal or family usage from drinking; but if this is so, it must be due to the greater license or liberty of the age and to the decay of respect for old usage.

48. The Chief Commissioner, Ajmere-Merwara, states that habits of intemperance are no doubt more common in those districts than they were 20 years ago, but he agrees with the Commissioner in thinking that this result may justly be attributed in great measure to the increase in wealth and the improved means of communication which have been introduced in that period, and the consequent extension of the market for intoxicating liquors. He is of opinion that ordinarily the real remedy for an increase in intemperance among the people would be the total prohibition of the manufacture of strong country liquor, but in these districts, surrounded as they are by native States, where strong liquor is freely brewed, such a measure would in any case be necessarily of doubtful efficiency.

49. Up to the year 1883 the monopoly of the manufacture and sale of spirit was sold by auction to the highest bidder; but under this arrangement general complaints were made of the inferior quality of the country liquor, and accordingly the Bombay sudder distillery system was introduced in a modified form in the year 1884. Under this system, which is still in force, the manufacture of liquor is confined to the central distillery at Ajmere, and the Government receives a still-head duty fixed according to the alcoholic strength of the liquor sold. The exclusive right to manufacture and sell country spirit within the certain maximum rates* is sold by auction to the highest bidder.

	Still-head Duty.	Maximum Selling Price.
	R. a.	*R. a.*
*15° under proof	1 8	4 8 per gallon.
25° " "	1 4	3 12 "
50° " "	1 –	3 – "

50. The statistics given show that the number of liquor-shops has ever since 1876–77 been a little over 180, and that during the 10 years in question the liquor revenue has increased from 40,000 rupees to 90,000 rupees.

EXPLANATION.

The following vernacular terms are used in the above correspondence:—

Abkárí: Excise.

Sayer: Inland imposts: included Excise Revenue under the ancient native system.

Mal: Land revenue.

Mahal: The area (geographical or otherwise) comprehended within a farm or other settlement of revenue.

Sudder distillery: An erection or inclosure appointed by the Excise authorities within which licensees are allowed to distil spirits.

Taluka: A sub-division of a district.

STATEMENTS referred to in page 11.

STATEMENT showing the Quantities of TODDY SPIRIT and MOWRA SPIRIT of the Strength 25° U.P. Consumed in the Island of *Bombay* during each of the Ten Years from 1872–73 to 1881–82, and the Rates and Amounts of Duty Realised thereon, &c. &c.

YEARS.	MOWRA SPIRIT.			TODDY SPIRIT.						TOTAL.		REMARKS.
	Number of Gallons of Spirit Consumed.	Rate of Duty Charged per Gallon.	Amount of Duty Realised.	NUMBER OF TREES LICENSED TO BE TAPPED.			Rates of Tax per Tree per Annum.	Estimated Number of Gallons of Spirit Produced.	Amount of Tree Tax Realisations.	Number of Gallons of Spirit, Mowra and Toddy, Consumed.	Amount of Duty Realised.	
				Cocoanut.	Brab.	Total.						
		Rs. a. p.	*Rs.*				*Rs.*		*Rs.*		*Rs.*	
1872–73	559,630	1 – –	5,59,630	24,783	1,972	26,755	6	347,815	1,60,530	907,445	7,20,160	(*a*) For the first five months of the year. (*b*) For the last seven months of the year.
1873–74	553,025	1 – –	5,56,912	23,649	1,818	25,467	6	331,071	1,52,802	884,096	7,09,714	
1874–75	599,115	1 – –	6,20,208	21,441	1,103	22,544	6(*a*) & 7(*b*)	293,072	1,56,453	892,187	7,76,661	
1875–76	656,700	1 – –	7,16,479	23,199	1,616	24,815	7	322,595	1,73,705	979,295	8,90,184	
1876–77	418,997	1 12 –	8,24,899	10,162	1,183	11,345	9	147,484	1,02,105	566,482	9,27,004	
1877–78	362,266	A 1 12 – / B 2 4 –	8,11,926	21,074	1,333	22,407	9(*a*) & 12(*b*)	291,291	2,39,300	653,557	10,51,226	
1878–79	295,110	2 4 –	7,28,167	21,376	936	22,312	15	290,056	3,34,680	585,166	10,62,847	
1879–80	320,415	2 4 –	7,99,108	15,855	650	16,505	15(*a*) & 18(*b*)	214,565	2,76,459	534,980	10,75,567	
1880–81	380,759	2 4 –	9,48,837	15,290	269	15,559	18	202,267	2,80,062	583,026	12,28,899	
1881–82	400,434	2 4 –	9,89,300	17,469	230	17,699	18	280,087	3,18,582	630,521	13,07,882	

STATEMENT showing the Quantities of COUNTRY SPIRIT Consumed in the *Surat* District during each of the Ten Years from 1872-73 to 1881-82, and the Rates and Amount of Duty Realised thereon, &c. &c.

YEARS.	Tracts supplied with Liquor from the Surat Distillery.	Population of the Tracts Supplied.	Number of Gallons of Spirit Issued from the Distillery.	Rate of Duty Levied per Gallon.	Amount of Duty Collected.	REMARKS.
				Rs. a. p.	*Rs.*	
1872-73	Surat City and six miles round	107,149	85,523	1 4 –	1,06,904	*See* remarks in the Ahmedabad statement above.
1873-74	ditto ditto		89,105	1 4 –	1,11,381	
1874-75	ditto ditto		99,053	1 4 –	1,23,816	
1875-76	ditto ditto		94,375	1 4 –	1,17,969	
1876-77	ditto ditto		95,861	1 4 –	1,19,826	
1877-78	ditto ditto		86,964	1 4 –	1,08,705	
1878-79	ditto ditto		45,222	2 – –	90,444	
1879-80	Surat City, Chorasi, and Olpad talukas	221,840	75,312	2 – –	1,50,624	
1880-81	ditto ditto	221,840	77,634	2 – –	1,55,268	
1881-82	Surat City, Chorasi, Olpad, and Bardoli talukas	292,767	94,542	2 – – / 1 8 –	1,77,767	

STATEMENT showing the Quantities of COUNTRY SPIRIT Consumed in the *Balsar* District during each Ten Years from 1872-73 to 1881-82, and the Rates and Amount of Duty Realised thereon, &c. &c.

YEARS.	Tracts supplied with Liquor from the Balsar Distillery.	Population of the Tracts Supplied.	Number of Gallons of Spirit Issued from the Distillery.	Rate Bond per Gallon.	Amount of Duty Collected.	REMARKS.
				Rs. a. p.	*Rs.*	
1872-73	Town of Balsar and six miles round	11,313	The Balsar distillery was not opened till 1873-74.			*See* remarks in the Ahmedabad statement above.
1873-74	ditto ditto		56,853	– 8 –	28,426	
1874-75	ditto ditto		62,776	– 8 –	31,388	
1875-76	ditto ditto		62,358	– 8 –	31,179	
1876-77	ditto ditto		65,880	– 8 –	32,940	
1877-78	ditto ditto		67,600	– 8 –	33,800	
1878-79	ditto ditto		22,270	1 – –	22,270	
1879-80	Town of Balsar and the Balsar and Pardi talukas	129,956	75,362	1 – –	75,362	
1880-81	ditto ditto	129,956	86,689	1 – –	86,689	
1881-82	Town of Balsar and the Balsar, Pardi, Jalapur, and Chikhli talukas	270,631	87,267	1 8 –	1,30,900	

APPENDIX.

COPY of a DESPATCH from the Secretary of State for India to the Governor General of India in Council, No. 70 (Revenue), dated 12 August 1886.

My Lord,

I FORWARD herewith, for the consideration of your Excellency's Government, copy of the correspondence noted in the margin* regarding the alleged increase of intemperance in India. As the report of the Commission on Excise Administration in Bengal is now before you, it would seem desirable that, in replying to the present Despatch, you should intimate what action you propose to take in regard to the several proposals submitted to your Government by the Commission in question.

* Memorial from British and Colonial Temperance Congress, dated 16th July 1886.
To President, ditto, dated 10th August 1886.

I have, &c.
(signed) *R. Assheton Cross.*

(Enclosures.)

No. 1.

To the Right Honourable the Earl of *Kimberley*, Her Majesty's Principal Secretary of State for India.

THE Memorial of the British and Colonial Temperance Congress, adopted at their closing meeting in London, 16th July 1886, respectfully sheweth that your memorialists have learned with profound regret that habits of intemperance among the natives of many parts of India and of Burmah are greatly on the increase, and that this is largely due to the extension of spirit licenses, for the purposes of revenue, in districts and in places where the taste for alcoholic drinks did not previously exist, and where native opinion is entirely adverse to their use.

Your memorialists believe that the system by which the right to license "outstills" is farmed to the highest bidder, has led to the introduction of drinking habits among an industrious population, in defiance of native opinion, has been the means of bringing many families to beggary and ruin, and, if persisted in, must produce widespread misery among large portions of the people under our rule in the East.

Your memorialists therefore entreat that your Lordship will cause full inquiry to be made, and, if the evils which your memorialists have pointed out should be found to exist, that no time may be lost in applying an efficient remedy, the honour of England, no less than the welfare of the people of India, being seriously involved in the issue.

Signed in name and on behalf of the Congress by
F. Londin, President.

No. 2.

My Lord, India Office, 10 August 1886.

I AM directed by the Secretary of State for India in Council to acknowledge the receipt of your Memorial of the 16th ultimo, calling attention to the increase of intemperance in India, and praying that some steps may be taken to remedy this state of affairs.

In reply, I am to inform your Lordship that Sir Richard Cross will reserve any expression of opinion on the statements in the Memorial until he is in possession of the views of the Government of India, to whom it has been referred.

I have, &c.
(signed) *J. A. Godley.*

The President,
British and Colonial Temperance Congress.

EAST INDIA
(ABKARI ADMINISTRATION).

COPY of a DESPATCH received from the Government of *India*, dated 27 June 1887, relating to the System of LICENSES for the DISTILLATION and SALE of SPIRITUOUS LIQUORS in force in the various Provinces of *India*.

(*Mr. Samuel Smith.*)

Ordered, by The House of Commons, *to be Printed,*
9 *August* 1887.

[*Price* 4½ *d.*]

269. *Under* 3 *oz.*

H.—25. 8. 87.

EAST INDIA (ABKARI ADMINISTRATION, TANNAH AND KOLABA).

RETURN to an Address of the Honourable The House of Commons, dated 28 June 1887;—*for*,

"COPIES of CORRESPONDENCE on the subject of recent PROCEEDINGS connected with the Administration of the ABKARI LAWS in TANNAH and KOLABA."

India Office,
29 June 1887.

J. A. GODLEY,
Under Secretary of State for India.

(Mr. Samuel Smith.)

Ordered, by The House of Commons, *to be Printed,*
12 *July* 1887.

LONDON:
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and HODGES, FIGGIS, and Co., 104, Grafton-street, Dublin.

220.

COPIES of CORRESPONDECE on the subject of recent PROCEEDINGS connected with the Administration of the ABKARI LAWS in TANNAH and KOLABA.

— No. 1. —

The Secretary of State for India to the Governor in Council, Bombay (Revenue, No. 4), dated 10th March 1887.

My Lord,

I FORWARD herewith, for the information of your Excellency's Government, copy of a question asked in the House of Commons by Mr. Samuel Smith, and of the reply made thereto, relative to a movement among the population of the Tannah and Colaba Collectorates of the Bombay Presidency in favour of total abstinence from strong drink. In the proceedings of your Excellency's Government (Miscellaneous) for October 1886, No. 471, I find a reference to the subject, but I shall be glad to receive at your early convenience a report relative to the action of the authorities in a matter which, according to the Report on Native Papers for December last, appears to have attracted considerable public attention. I should like you especially to specify whether there is in the Tannah and Colaba districts a movement such as that described in Mr. Smith's question, and I should wish to receive copies of the proclamation and notice which Mr. Smith quotes, and any other public documents bearing on the subject.

I have, &c.

(signed) *Cross.*

Enclosure 1, in No. 1.

House of Commons.—11th February 1887.

MR. SAMUEL SMITH asked the Under Secretary of State for India whether he is aware that there is a movement among the population of the Tannah and Colaba Collectorates of the Bombay Presidency in favour of total abstinence from strong drink, and that for this end the natives propose to make abstinence a rule of their caste; and if he is further aware that the Government, in order to stop this movement, have put eight of the leaders in prison, and have issued a proclamation that if anybody "by threats of violence or otherwise endeavour to hinder others from purchasing or drinking liquors, he will render himself liable to criminal prosecution."

And whether a notice has been distributed in the Colaba Collectorate, which states that "people have full liberty to drink spirits or not as they choose, and that whoever hinders them will be prosecuted criminally, and will be awarded the highest punishment laid down in the law."

REPLY.

SIR JOHN GORST said: According to the official information received by the Secretary of State, the movement among the population in certain Collectorates in Bombay was not one in favour of total abstinence, but a strike against the severe restrictions enforced on the tapping and sale of toddy, and the high price of liquor. The Secretary of State has not yet received any official information respecting the eight men alleged to have been imprisoned in December last, or the proclamation referred to. But I may observe that even in the United Kingdom persons who "by threats of violence endeavoured to hinder others from purchasing or drinking liquors" would "render themselves

themselves liable to criminal prosecution." A notice was issued by the Collector of Kolaba in October last (which is probably that referred to in the question). It did not commend itself to the Government of Bombay, and was by their order withdrawn. The Secretary of State will make further inquiry into the matter.

Enclosure 2, in No. 1.

ABSTRACT Bombay Proceedings, Revenue Department (Miscellaneous), October 1886.

No. 471.—Memorandum from the Commissioner, S. D. (No. 3018), dated 15th October 1886, submitting a letter (No. 3889), dated 29th September 1886, from the Collector of Kolába, who reports that meetings are being held all over Panvel and Pen with the object of compelling all persons to abstain from liquor so long as the present severe restrictions continue in force on the tapping and sale of toddy, and liquor remains at its present price; states that at these meetings it is resolved that persons transgressing the ordinance to refrain from liquor should be put out of caste, and only re-admitted under the severest penalties; that he has received strongly worded petitions on the subject from the contractors, but that as long as peaceful means only are used nothing can be done; forwards a translation of a notice issued by him; observes that the notice may perhaps have some deterrent effect, but that it is probable that the strike will not last long, as the classes who consume liquor are not likely to be very self-denying on principle; the Commissioner observing that the meetings described by the Collector do not appear in any way illegal, that no action on the part of local officers appears necessary or practicable, and that the notice published by the district magistrate does not commend itself to him (the Commissioner) as it has no legal value; intimating that if specific complaints of threats or coercion arise, they will of course be dealt with according to law; and adding that a copy of his Memorandum will be sent to Mr. Keyser.

RESOLUTION.

His Excellency the Governor in Council concurs in the views expressed by the Commissioner, S. D. The notice should be withdrawn.

— No. 2. —

REVENUE DESPATCH from the Bombay Government to Her Majesty's Principal Secretary of State for India in Council, London, dated Bombay Castle (No. 9), 22nd April 1887.

My Lord,

WE have the honour to acknowledge the receipt of your Lordship's Despatch, No. 4, dated the 10th ultimo, forwarding a copy of a question asked in the House of Commons by Mr. Samuel Smith, and of the reply made thereto, relative to a movement among the population of the Thána and Kolába Collectorates in favour of abstinence from strong drink, and calling for a report as to the action taken by the local authorities in this matter, and for copies of the notice referred to by Mr. Smith, and of any other public documents bearing on the subject.

2. In reply, we have the honour to inform your Lordship that the Collector of Kolába reported in September last that meetings were being held in all parts of the Panvel and Pen Tálukas of that district, with the object of compelling the rayats of those tálukas to abstain from liquor so long as the restrictions imposed by Government on the tapping and sale of toddy continued in force and liquor remained at its present price, and that it was resolved at those meetings that persons transgressing the ordinance to refrain from liquor should be excommunicated, and only re-admitted under the severest penalties. The Collector observed that nothing could be done by Government so long as peaceful measures were used, and that there was no probability of the strike lasting long, as the classes who consumed liquor were not likely to be very self-denying on principle, but that he had issued a notice which might have some deterrent effect. In forwarding Mr. Keyser's Report, the Commissioner, S. D., expressed his

his opinion that the meetings described by Mr. Keyser did not appear to be in any way illegal, that no action on the part of the local officers appeared necessary or practicable, and that if specified threats of coercion arose they would be dealt with by the magistrates according to law. We concurred in the views expressed by the Commissioner, and directed the withdrawal of the notice published by the Collector of Kolába, as we considered that though it was, strictly speaking, legal, it might be construed into an indication of a desire on our part to suppress the movement having temperance for its object. Mr. Smith evidently refers to this notice, a copy of an English translation of which is forwarded herewith, as desired by your Lordship. We beg also to enclose, for your Lordship's information, copy of a notice published by the Collector of Kolába in December 1886, withdrawing his previous notice as directed by us, together with a copy of the correspondence on the subject, noted in the margin. It will thus be seen that a movement such as that described in Mr. Smith's question did exist in both the Kolába and Thána districts, and to some extent continues now, but that the sole object of its originators was and is to induce this Government to reduce the tax at present levied on toddy-producing trees, and thus to make liquor cheaper and so promote intemperance.

Letter from the Commissioner of Customs, Salt, Opium, and Abkári, Bombay, No. 6332, dated 24th November 1886, and its accompaniments.

Government Resolution, No. 8661, dated 8th December 1886.

Letter from the District Magistrate, Kolába, No. 8 (Confl.), dated 17th January 1887, and its accompaniments.

Letter to the Solicitor to Government, Bombay, No. 438, dated 22nd January 1887.

Judgment recorded by the High Court of Judicature, Bombay, in the case of Vishnu Govind Patankar in criminal application, No. 4 of 1887.

3. We beg leave to explain that Government would regard a genuine movement in favour of temperance with satisfaction, feeling sure that Government will be repaid for any loss of revenue by the increased prosperity of its subjects. It is, however, the duty of the officers of Government, who have to administer the law, to see that the promoters of the movement do not use intimidation to further their object, and if any person complains to a magistrate that he has been intimidated the magistrate has no choice but to enforce the law. It is wholly untrue that this Government or its officers have encouraged such complaints, and though it is possible that the liquor contractors may have done so in their own interests, we do not consider that this is a matter with which this Government has any concern.

4. We beg to add that the statements made in Mr. Smith's question that a proclamation was published by us to put a stop to the movement, and that eight of the leaders of the movement were put in prison at our instance, are not true. No proclamation has been issued by us, nor have any prosecutions been instituted under our orders, or under the orders of any of our officers. Mr. Smith probably refers to a case in which Mr. Drew, First Class Magistrate, Kolába, sentenced in December last eight agriculturists of Washi, in the Pen Táluka, under Section 506 of the Indian Penal Code, for threatening to damage the crops of one Dhavji Vithu Mhatra, unless he promised to abstain from liquor. This case originated in a charge preferred by the threatened person, and there is absolutely no reason to believe that the latter was instigated by any Government officer.

5. We also beg to forward, for your Lordship's information (1), a statement showing the quantities of liquor consumed in the Thána and Kolába districts in each of the months of December 1886, and January and February 1887; and (2) a comparative statement showing the quantities of spirit removed from the Uran Distillery to the Thána and Kolába districts during the months of December 1885, January and February 1886, and December 1886, January and February 1887. From these it will be seen that the normal condition of affairs is being resumed, and that the so-called temperance movement does not promise to have a long existence.

We have, &c.
(signed) *Reay.*
M. Melvill.
J. B. Richey.

Enclosure 1, in No. 2.

NOTICE

Is hereby given that it has come to the knowledge of the undersigned that certain evil-disposed persons are attempting by threats of violence and of causing other injury to those who will not obey them, to compel all persons who exercise their right to buy and consume liquor to desist from doing so. Such persons are warned that they render themselves liable to a criminal prosecution. People are free to consume or abstain from drinking liquor at their pleasure, and any person threatening or using violence to compel persons to abstain will be prosecuted and punished with the utmost rigour of the law.

(signed) *Alfred Keyser*,
Collector and District Magistrate, Kolába.

29 September 1886.

Enclosure 2, in No. 2.

(No. 6332 of 1886.)

To the Acting Chief Secretary to Government, Revenue Department, Bombay.

Sir, Bombay, 24 November 1886.

I HAVE the honour to submit, for the information of Government, copies of certain papers connected with a movement among the people of the Kolába and Thána Districts which has led to a combination on their part to abstain totally from taking toddy or mhowra spirit from the shops of Government farmers.

In September last the Collector of Kolába addressed the Commissioner, S. D., on the subject, and on his bringing it to the notice of Government, they passed their Resolution in the Revenue Department No. 7594, dated the 22nd October, thereon.

At that time I was inclined to regard the movement in the same light as the Commissioner, S. D., regarded it. I thought it improbable that the strike would "last long, as the classes who consume liquor are scarcely likely to be very self-denying on principle," but since then the movement has been gaining strength and is beginning to assume serious proportions.

On the 6th October I received a letter from the Collector of Thána, to which I sent the following reply:—

> "I have the honour to state that although there does not appear to be any legal provision which can be quoted against them, Patels of villages have, in my opinion, no right whatever to join in the movement which you report or to silently encourage it, or in any way to aid and countenance it. It is their duty to assist in carrying out the arrangements which Government have made in various departments and not to upset these arrangements by opposition. I beg that you will cause the Patels in question to be sent for and their statements recorded in writing and their conduct reported for the orders of Government."

In reference to that I have recently received a letter from the Collector of Thána, in which he says that he has caused inquiries to be made into the conduct of the Patels, and that he cannot ascertain that they have committed any act for which they could legally be punished; but he has not taken their statements in writing as to the part they took in the movement and their reasons for the same. Had he done so, he would have been in a position to state exactly the object of the combination, whereas he now merely conjectures that it is "the discomfiture of Government in the matter of ábkári arrangements." In all probability this conjecture is correct, but it would have been more satisfactory if we had before us the statements of some of the agitators as to their real motives. I have written again to the Collector to cause the statements of the Patels concerned to be taken and forwarded to me.

The Collector of Kolába reports the cause of the combination to be "the severe restrictions on the tapping and sale of toddy and the high price of liquor," and doubtless he is right. The people have heard of the reduction of the tree tax in the island of Bombay, and not knowing that it is the intention of Government to revise the tree tax in Kolába, Thána, and elsewhere, they think that their best mode of attaining that result is agitation.

In some parts of the above-mentioned districts no spirit has been bought from the Government shops since two months, and if we are to compensate the farmers for their losses, as in equity we are bound to do if the present state of affairs continues, there will be a considerable decrease in our ábkári revenue.

The farmer of the six inland tálukás and of the Sálsette Táluka of Thána has guaranteed a minimum sum of *Rs.* 4,56,185 for the year. The Panvel farm has been let for *Rs.* 1,51,775, while the farmer of Pen and the other tálukás excepting the bágáyat portion of Alíbág has guaranteed *Rs.* 1,05,525, *i.e.*, at the rate of *Rs.* 38,015, *Rs.* 12,648, and *Rs.* 8,794 per mensem respectively.

The

The question for decision is, shall we sit quiet and allow the movement to continue and to spread, and thereby to forfeit a large amount of revenue, or are measures to be adopted which will bring the people to their senses?

At the present time we can scarcely afford to sacrifice any revenue, and I am therefore on the side of action. I would recommend that the Collectors of Kolába and Thána (and of any other district to which the movement may spread) be told to cause the people, and especially the principal agitators, to be informed that if their object is a reduction of the tree tax and in the price of liquor they are setting about gaining their point in a wrong way, and that so long as the present combination exists they will never attain the end they have in view.

Enclosures 5, 6, and 7, are copies of petitions from the farmer of the six inland tálukás and of the Sálsette Táluka in Thána.

There is nothing in the farmers' contract which renders it legally binding on Government to compensate them, and if the movement now ceases I would not do so, but if it continues we shall be in honour bound so to do.

I have, &c.
(signed) *J. G. Moore,*
Acting Commissioner of Customs, Salt, Opium, and Ábkári.

Enclosure 3, in No. 2.

(No. 4661 of 1886.)

To the Commissioner of Customs, Salt, Opium, and Ábkári.

Sir, Thána Collector's Office, 6 October 1886.

I HAVE the honour to report, for your information, and any orders you may think necessary, the following:—

2. It appears that the Inámdár of Chikli in Panvel Táluka lately started a movement to refuse to take toddy or spirit from the shops of Government contractors, apparently with the object of compelling Government to abolish the present ábkári system. A large meeting was held in Chikli at which resolutions were passed not to drink at Government shops, and letters were sent to various places in Sálsette and Kályan tálukás urging the inhabitants to hold meetings and pass similar resolutions.

3. In accordance with these letters a meeting was held at the tank at Sadli, Khairni Patti of the Sálsette Táluka, and the inhabitants of the villages mentioned in the margin bound themselves on 17th August by a decision to the effect that anyone who should drink from a Government contractor's shop should be fined *Rs.* 100 and put out of caste. My information also is that Patels of villages took part in these meetings.

Gansoli	Padne.
Mahape.	Khairne.
Gotimli.	Koper Khairne.
Kopri.	Wasi.
&c.	

4. Another meeting was held on 4th October in the Vithalwádi Temple of Katemaniwali of Kalyán Táluka, at which about 400 people are said to have assembled. This meeting, I am informed, came to the same decision, the penalties being fixed at loss of caste and a fine of *Rs.* 50.

5. The contractors have complained to me that the movement is spreading, letters being distributed widely, and that a serious loss to them will be the result.

6. I replied to them that so long as the promoters of this movement kept within legal limits I could not prevent them from holding meetings and giving any advice to others by letter or messenger. But I told them that if any illegal intimidation or pressure was brought to bear on individuals to force them against their will to abstain from drinking, a prosecution should be attempted, provided clear evidence were obtainable.

7. With regard to the alleged action of Patels in the matter, I have as yet taken no steps; I am not sure what view Government will take of the matter and whether they would permit any interference with the free expression of opinion by Patels, or be prepared to forbid their joining in the movement, so long as it is carried on in a strictly legal manner.

8. I should be glad of an early expression of your opinion on the subject.

I have, &c.
(signed) *F. L. Charles,*
Acting Collector of Thána.

Enclosure 4, in No. 2.

(No. 5381 of 1886.)

To the Commissioner of Customs, Salt, Opium, and Ábkári.

Sir, Thána Collector's Office, 18 November 1886.

WITH reference to your letter, No. 5512, of the 12th ultimo, I have the honour to state that I have caused inquiry to be made into the conduct of the Patels, but I cannot ascertain that any of them have committed any act for which they could be legally punished. Directly or indirectly they are no doubt parties to the movement, but I can give no evidence of any overt act or speech on the part of any one of them for which he could be called to account.

Various objects have been stated as the purpose of the meetings which have been held, such as regulations for the restriction of marriage expenses, the prevention of the possession of mhowra flowers or the illicit distillation of mhowra liquor or its consumption, &c., but there is little doubt that these alleged objects are brought forward to cover the principal one of banding together to the discomfiture of Government in the matter of ábkári arrangements. I am of opinion that Government should be in full possession of the information, and trust that if you agree with me you will kindly place the facts before them, but I am also inclined to think that no eagerness should be shown on the part of the authorities to check the movement or to attach any great importance to it, for by so doing the malcontents would be led to imagine that one of their objects, viz., that of causing annoyance to Government, had been attained. The watch over the movement is being quietly but carefully maintained, and any one who lays himself open to punishment will be promptly dealt with, but the probability is that in the course of time the combination will die a natural death.

The loss of the contractor by the present stoppage of sales is of course a separate question, and on this I have already addressed you in forwarding the application of the contractor for a reconsideration of the terms of his contract.

I have, &c.
(signed) *E. Gray,*
Acting Collector.

Enclosure 5, in No. 2.

To the Commissioner of Customs, Salt, Opium, and Ábkári, Bombay.

(Through *E. Gray*, Esq., Collector of Thána.)

Respected Sir, Kalyán, 12 November 1886.

YOUR petitioner, Edalji Fakirji, liquor contractor of the six inland táluks of the Thána District for the year 1886–87, most humbly and respectfully begs to bring to your kind notice—

That large meetings were held at Ambarnáth, Kumbhárli, Niljen, Tees, Puri, &c., in the Kalyán Táluka of the Thána Collectorate in September and October last, among villagers, all of the Kunbi caste, for adopting measures to put a stop to the practice of drinking liquor, especially from your petitioner's shops.

That at every meeting held at the above-mentioned places the Kunbis resolved between themselves that any person, on and after the day of the meeting, found drinking liquor should be liable to a penalty of a fine of *Rs.* 100, or excommunication for 12 or 15 years, and any person detecting some one who may not act according to the above resolution would be awarded *Rs.* 10.

They also resolved that to those of the drinking classes who were not present at the above-mentioned meetings, whether they be of same caste as themselves or be of other caste, as barbers, goldsmiths, weavers, labourers, &c., letters should be sent to enforce the same resolution passed among them, and in case of their refusal no one should join them into any social intercourse or call them for labour. I hope the Mámlatdár of the Kalyán Táluka must have already reported to your honour stating the above-mentioned account.

That your petitioner is informed that those Kunbis think that when no one drinks your petitioner's liquor the petitioner shall have to sustain a loss of thousands of rupees. When this year the petitioner is fully ruined, next year no one shall bid a high sum, and then they shall get liquor cheaper.

That your petitioner is also informed that the instigator and the creator of this strike is a Bráhman named Vishnu Pátankar, a resident of Chikli in the Panvel Táluka in the district of Kolába.

That your petitioner had expected that Government would make prompt arrangements for such a strike of people in respect of liquor, but he is sorry to say that nothing is done as yet.

That

That this strike of people in the Kalyán Táluka is vastly and rapidly extending among the people of five other tálukás, and at some places in these tálukás also people have begun not to drink liquor.

That owing to such a resolution of the people most of your petitioner's shops in the tálukás are as if almost shut since they have begun to hold meetings. Not only these people do not go to the petitioner's liquor-shops, but prevent any one who wants to use liquor as a medicine, and tell him to go and prepare it at his house.

That under these circumstances your petitioner most humbly begs that a change in the terms of your petitioner's liquor contract should be made, so as to make him responsible to give to Government only the duty upon as much liquor as would be sold.

Your petitioner shall be ever obliged, and pray for your honour's long life and prosperity.

Apologizing for the trouble I give you herein, I conclude my request.

I beg, &c.
(signed) *Edalji Fakirji*,
Liquor Contractor.

Enclosure 6, in No. 2.

To *E. Gray*, Esq., Collector of Thána.

The Humble Petition of *Edalji Fakirji*, Liquor Contractor of the Sálsette Táluka of the Thána Collectorate for the current Year 1886-87,

Most respectfully sheweth—

That a large meeting of the villagers, all of the Ágri caste, of 30 villages in the Kherna Patti of the Sálsette Táluka, was held on the 12th October to adopt measures to put down the practice of drinking liquor, especially from the shops of your petitioner.

That about 1,500 persons attended the meeting, where it was unanimously resolved that whoever on or after the above-mentioned date should drink liquor would render himself liable to a punishment of 50 rupees fine, with the additional penalty of excommunication for 12 years, and that whoever should discover and bring to the notice of the meeting any infringer of the above resolution would be entitled to 10 rupees as a reward; that those of the drinking classes who did not attend the meeting and take part in the proceedings should be forcibly compelled to conform to the above resolution, and be subjected to the same punishment on being discovered to have infringed the above resolution; and, lastly, your petitioner is informed that those of the drinking classes who do not belong to the Ágri caste, namely, goldsmiths, cobblers, and barbers, should be asked to enforce the same resolution among themselves, and if they be found to refuse to comply with the requisition they should be debarred from any social intercourse with the people, and that none should buy their labour, thus inflicting upon these classes the terrible punishment of social banishment. Of this state of things the Ábkári Inspector and the Mámlatdár of the Sálsette Táluka must have, your petitioner presumes, already informed you.

That on the 20th October last a similar gathering of the Ágri people of Kolset, Balkhum, Bhándup and other villages, numbering 24 in all, took place at Kolset, your petitioner learns, at the requisition of the Kherna people; that this meeting was attended similarly by more than 1,000 villagers, and that they adopted literally the resolution passed by the Kherna people with the full consequences resulting from the infringement of the same.

That on the 29th idem Thána itself was the scene of a similar gathering of the Koli caste; that it was also a large meeting, convened, your petitioner hears, at the requisition of the Kolset people, and that at this meeting too the same resolutions were adopted.

That on the 31st idem a fourth meeting of the Marátha washerman, Native Christian and several other castes was held at Thána; that this meeting was also largely attended, and passed and adopted similar resolutions to those of the other meetings mentioned above.

That your petitioner is informed that the originator and agitator of this strike is a Bráhman named Vishnu Pátankar of Chikli in the Panvel Táluka in the Kolába Collectorate.

That accounts of the several meetings hitherto held in different parts of the Sálsette Táluka having been already forwarded to you by the Ábkári Inspector, your petitioner had entertained great hopes that Government would take energetic measures to put down the strike of the people in respect of liquor-drinking and make a proper *bandobast*, but your petitioner regrets that nothing of the kind has yet been done; that owing to this state of things people who have made the strike not only do not go to the liquor-shops to drink themselves, but they are always on the watch and patrolling as it were to see whether their resolution has been carried out by others to the letter or not; that owing to this vigilant watch of the agitators not a single soul of the castes who have made the strike attends the liquor-shops to drink liquor, and hence nearly half the number of the liquor-shops have had to be almost shut up since the date of the first meeting above mentioned.

That under these circumstances your petitioner prays that a change in the terms of your petitioner's liquor contract may be made so as to make him responsible to pay to Government only the duty upon so much liquor as would be sold.

And your petitioner for this favour, as in duty bound, shall ever pray for your long life and prosperity.

(signed) *Govind Premji*,
for *Edalji Fakirji*.

Thána, 11 November 1886.

Enclosure 7, in No. 2.

To *E. Gray*, Esq., Collector of Thána.

Sir,

A FEW days ago I had the honour to submit to you a petition stating that in several parts of the Sálsette Táluka the people of several castes have resolved upon abstaining from drinking liquor and have imposed heavy penalties on those who should break this resolution, and asking for a change in the terms of my contract so as to make me liable to pay to Government only such amount of money as will equal the amount of duty on liquor actually consumed.

This strike, as it may be called, on the part of the people, instead of showing signs of abatement is rapidly spreading to places other than those mentioned in my former petition. I, therefore, pray you will be graciously pleased to order that till a decision is arrived at on the subject of my former petition, the Mámlatdár should not demand from me all the amount that I may be liable to pay under the present terms of my contract, but such amounts only as will equal the amount of duty on liquor actually sold. Such a provisional kind of arrangement will, it will be seen, hardly come in the way of the Government to arrive at a decision on the prayer in my former petition.

It is, I think, quite unnecessary in this place to again refer to the circumstances and causes which have led the people to abstain from drinking liquor.

Trusting you will be graciously pleased to grant my request above made,

I beg, &c.
(signed) *Govind Premji*,
for *Edalji Fakirji*.

Enclosure 8, in No. 2.

(No. 8661.)

RESOLUTION.

Revenue Department, Bombay Castle,
8 December 1886.

IT is impossible that Government can take any steps to check this movement so long as illegal compulsion on the part of the promoters of the movement is not resorted to. A careful watch should be kept to see that no illegality is committed.

2. As regards the question of compensation to the liquor contractor, Government consider that if he can show, in winding up his accounts, that during the *whole* currency of his contract he has lost through abnormal and unforeseen events, it may be advisable to forego part of their claim, but it would be a dangerous precedent to relieve a contractor who may lose at first and afterwards make a profit by which he more than covers his previous losses.

T. D. Mackenzie,
Acting Chief Secretary to Government.

Enclosure 9, in No. 2.

NOTICE.

(No. 4833 of 1886.)

Camp Mángaon, 21 December 1886.

GOVERNMENT have ordered the withdrawal of the circular sent from this office, warning persons who used threats or other illicit means to deter persons from consuming liquor. Magistrates and police officers will therefore not be influenced by it in dealing with offenders, and any prosecution by the police should at once be reported to the undersigned.

In the notice (in Maráthi) the word "shikast" in the last line is a mistranslation and ought never to have been used.

(signed) *Alfred Keyser*,
District Magistrate.

Enclosure 10, in No. 2.

(No. 3 of 1887.)

From *Alfred Keyser*, Esq., District Magistrate, Kolába, to *T. D. Mackenzie*, Esq., Acting Chief Secretary to Government, Revenue Department.

Sir, Camp Panvel, 17 January 1887.

I HAVE the honour to report, for the information of Government, that one Vishnu Govind Pátankar, Inámdár of Chikli, táluka Panvel, has made an application to the High Court for the transfer of a case, in which a complaint of criminal intimidation has been made against him, from the Court of Mr. W. Drew, 1st Class Magistrate, to be tried in some other district under Section 526 of the Criminal Procedure Code, and I would respectfully recommend that the Advocate General be instructed to oppose the application.

2. My grounds for making this recommendation are that the application has been made by the well-known counsel, Mr. Inverarity, on behalf of the accused, and as it is supported by allegations reflecting seriously on the authorities of the district, and the case has attracted considerable public attention, I think it may appear desirable to Government that the true facts should be placed before the Court with an ability equal to that with which the accused's statement will be presented.

3. I subjoin a copy of two statements made on behalf of the accused, and will proceed to reply to them as briefly as I can.

Statement A.—(*a*) It is true that the accused Vishnu is looked upon as the instigator of the so-called temperance movement, which is really a demonstration against the ábkári policy of Government and instituted in the hope that it will force Government to remove the present high rate of taxation on toddy trees. The accused was formerly a trader in mhowra flowers. To prevent him selling them to the people and thus encourage illegal distillation, the contractor one year purchased his stock above the market rate and another year paid him a sum as compensation for the loss sustained in the cessation of his trade. Subsequently a quarrel arose between the parties, and, as the contractor represents, it is on account of this quarrel that the accused has taken the opportunity to foster the discontent caused by the present dearness of toddy and of liquor by instigating the present movement. Whether this be an absolutely correct statement of the case I cannot determine; but I have been informed from several sources that the accused is really the originator and chief supporter of the movement. The allegation is true if the word "not" be read before "without foundation."

(*b*) It was first reported to me in September that meetings were being held, in which it was resolved that so long as the present restrictions existed the Ágris would abstain from drinking, that anyone not so abstaining would be put out of caste and fined, and it was further reported that threats of violence were freely resorted to to induce people to join the movement. I issued a proclamation warning people to abstain from criminal intimidation, but beyond this no action has been taken by any authority to put pressure on the people in connection with the movement. The contractor, whose business the movement ruins, has, I believe (but I have not been at much pains to inquire by what means), tried to induce his customers to return to him.

(*c*) Soon after hearing of the movement I came to Panvel to inquire into it, as I thought it my duty to ascertain what I could about so unusual and wide-spread a combination. I sent for the contractor and questioned him, and also for the present accused, as I was told (not by the contractor in the first instance) he was the originator of the whole business. The latter denied all participation in the movement or knowledge of its cause. There the matter ended, and I have not been in the táluka since until quite recently.

(*d*) I believe negociations, at which Mr. Mánekshán, a High Court Pleader, assisted, were held with a view to induce Fardunji, the contractor himself, to petition Government to remove the present restrictions on tapping toddy trees. I have seen a printed draft of the petition, but no arrangement was come to.

(*e*) Mr. Cox, the Superintendent of Police, denies using any threat as stated. I subjoin a copy of his demi-official reply.

*(*e*) I have already sent with my former report a copy of a statement by Mr. Drew. The papers in the case have been sent for by the High Court. I saw them yesterday in Bombay, having sent for them informally. The prosecution was instituted by a private individual, who asserts that he was threatened, when purchasing liquor in a shop in, I think, Panvel, with injury to his property by the present accused and others. The liquor

contractor affirms that he did not instigate the prosecution, and is prepared to subscribe an affidavit, which I intend to send to the Government Pleader, to that effect.

(*f*) There is every reason to suppose that the accused was escaping service of the warrant. The 4th instant is probably a mistake for the 14th, the day for which the case was fixed. I know, of course, nothing of the circumstances, except that Mr. Drew told me casually in conversation he had received a very unbecoming letter from the accused.

(*g*) There has been no system or series of prosecutions. This is the second case before Mr. Drew at an interval of three months from the first. One case was reported by a subordinate magistrate this month. As no conviction returns have been received, I presume it was discharged (*vide* Mr. Drew's statement). In one other case before the 1st Class Magistrate, Panvel, one man was fined two rupees for a similar offence.

(*h*) It is absolutely untrue that Mr. Drew has been in frequent or any communication with me on the subject of these convictions. He mentioned in conversation to me he had received the complaint in October, and except that I saw his criminal return I had no other communication with him, to the best of my memory, on the subject until I met him this month, when he told me of the present case. I think it was Friday evening, 7th instant, that he mentioned that the accused was in it, and had written him the letter referred to above.

(*i*) Neither Mr. Drew nor myself could have any evidence to give relevant to the present case; but were it otherwise, Mr. Drew as magistrate can take cognizance of any facts within his own knowledge, and it would be easier for me to attend a court within my own district than outside it.

(*j*) There is no strong feeling among the officers in the district, who have remained absolutely neutral. Mr. Drew takes no active share in the ábkári administration of the district, has not been directed to make any inquiry in connection with the origin of the present movement, and there is no reason why the accused should not expect to get a fair and impartial trial. The case is a most trivial one, and the accused unnecessarily magnifies its importance and his own.

4. *As regards the Application B.*—The text of my notice is already before Government. I regard any combined movement as dangerous in this country, where threats and violence are resorted to to enforce it, and I hoped to be able by a somewhat strongly-worded notice to arrest illegal action. I have reason to believe the notice was not ineffectual in assisting towards this end. Subsequently I issued a circular on receiving Government Resolution No. 7594 of 27th October 1886, Revenue Department. I could not well cancel a notice which only said that people who committed acts defined to be illegal by the Penal Code would be prosecuted, as it might be taken to mean they might commit them with impunity.

5. I think it is of very great importance to show in Court that Government officers have preserved a neutral attitude, and that the statements in the application are misleading and false. Whether the case be tried here or elsewhere is a matter of intrinsically small importance, but it is not, I maintain, expedient that the authority of the local officers should be weakened by the removal of cases, unimportant in themselves, from their jurisdiction, when the accused, as in the present case, is a man of local influence and position, and that it should not be denied in the most unqualified manner that any English magistrate is likely to be so prejudiced as to be unable to decide a petty case of this sort impartially, because it is more or less remotely connected with a popular movement, whether towards temperance or against Government restrictions. Because it would tend to weaken authority, then I would recommend that the application be opposed, and especially on the ground that the allegations supporting the statement are untrue.

6. I hope, therefore, that as Government is deeply interested when the character of the officers who represent it for justness and impartiality is assailed, and also as (a neutral attitude being most advisable with regard to the "temperance" movement which has attracted attention throughout India) it is advisable to rebut the applicant's case, which will be urged with the highest forensic skill obtainable, my suggestion that the Advocate General be instructed to oppose the application will meet with approval.

I have, &c.
(signed) *Alfred Keyser*,
District Magistrate.

Enclosure 11, in No. 2.

(A.)

In Her Majesty's High Court of Judicature.

(Petition under Section 526 of the Criminal Procedure Code.)

The humble Petition of Vishnu Govind Pátankar, Hindu Inhabitant of Mauje Chirle, in the Táluka of Panvel,

Respectfully sheweth,

(*a*) THAT your Lordships' petitioner is Jnámdár of the village of Chirle, in the táluka of Panvel.

That in connection with a certain temperance movement in the aforesaid táluka your Lordships' petitioner is, without foundation, looked upon and represented to the revenue authorities by the liquor farmer of that táluka, by name Fardunji, as the originator of the movement, and as actively engaged in dissuading people from drinking liquor.

(*b*) That the result of the said movement being pecuniarily injurious to the aforesaid farmer and to Government, endeavours are being made for the last five or six months to bring pressure on the people to drink, and with that view also to induce your petitioner to persuade the people to do the same.

(*c*) Your Lordships' petitioner was called by Mr. A. Keyser, District Magistrate of Kolába, and asked why he dissuaded the people from drinking, and thus caused loss to Government revenue. Your petitioner, however, replied that the people were not under his influence, and that he has done nothing beyond merely pointing out the evil effects of the habit of drinking to those who sought his advice.

(*d*) The said Fardunji also offered your Lordships' petitioner money as a temptation to him to move in the matter, in his interests, and advise the people to drink.

Your Lordships' petitioner declined the offer, adding that he was not the originator of the temperance movement in the táluka, and had no personal interest in the matter.

(*e*) Your Lordships' petitioner is informed that while he was absent from home the superintendent of police went to his house and threatened the inmates of his house, he (the petitioner) would be deprived of his inám village if he persisted in actively encouraging the temperance movement.

(*e**) Your Lordships' petitioner never forced any one in the aforesaid táluka, or elsewhere, to give up the habit of drinking, with the view of causing injury to either liquor contractor or the Government.

Notwithstanding this, however, a charge of criminal intimidation has now been laid against your Lordships' petitioner, and seven others, before Mr. Drew, the First Class Magistrate of Kolába, at the instigation of the said Fardunji, after an interview with the said magistrate, and a summons affixed to the petitioner's house while he was absent from home.

(*f*) A copy of the said summons was shown to him by the servicer, accompanied by Fardunji's people, on the evening of the 4th instant, at a place six miles distant from his house, when he learned that he was required to attend Mr. Drew's Court at Chirle, more than eight miles from his residence.

Your Lordships' petitioner, not being able to attend as required, sent a petition requesting the magistrate not to hold the trial himself, as he was to be cited as a witness in the case.

No reply was sent to this petition, nor any change made in the date of hearing; on the contrary, it is said that a warrant has now been issued for the arrest of your Lordships' petitioner.

(*g*) Your Lordships' petitioner has reason to believe that the present prosecution is part of a system or series of prosecutions brought with the view of intimidating the people in the interests of the liquor contractor and the excise revenue, and in which the liquor contractor and his people take an active part.

Mr. Drew has already convicted, on summary trial on similar charges, and sentenced to imprisonment, four respectable persons who had been prosecuted with the active assistance of the liquor contractor and his people.

(*h*) The said magistrate has also frequent communications with the magistrate of the district, Mr. A. Keyser, on the subject of the prosecution herein above referred to.

(*i*) The facts above recited being important, as showing the motive of the prosecution

against your Lordships' petitioner, the evidence of both Mr. Drew and Mr. Keyser would be necessary in the present case.

(*j*) Your Lordships' petitioner has also reasons to fear, owing to the feeling amongst the officers of the district being very strong, that a fair and impartial trial cannot be had, and that there will be a miscarriage of justice if the present case were left to be tried by Mr. Drew or any other magisterial authority in the district of Kolába.

Your Lordships' petitioner therefore prays that your Lordships will be graciously pleased to direct a transfer of the case to any of the districts for trial, and grant to him such other and further relief as to your Lordships may seem meet.

And your Lordships' petitioner, as in duty bound, will ever pray.

(signed) *Vasudev Jagannath*,
Pleader for the Petitioner.

Enclosure 12, in No. 2.

(B.)

In the Matter of Criminal Petition, No. 8 of 1887.

I, Vishnu Govind Pátankar, inhabitant of Chikli, do hereby solemnly affirm that I have read the notice published in the accompanying number of a Maráthi newspaper, called the "Arunodaya," of date the 14th November 1886, purporting to be given by A. Keyser, Esq., District Magistrate of Kolába, under date 29th September 1886, and of which a true translation is hereto appended; and with reference thereto I state that I am informed and do verily believe that the said notice was issued by, and under the authority of the said A. Keyser, Esq. I further state that the said notice was published throughout the entire district of Kolába, by and under the authority of the said A. Keyser, Esq., and that so far as I am informed the said notice has not been cancelled, but is still in full force and virtue.

(signed) *Vishnu Govind Pátankar.*

Enclosure 13, in No. 2.

Arunodaya, 14 November 1886.

NOTICE

(By the District Magistrate, Zilla Kolába)

Is hereby given to all, that I have heard that some bad people are endeavouring to force people who have a right to buy liquor, and consume the same, not so to buy or consume the same, and use threats on those who would not listen to them. This warning is therefore given to such (bad) people that by so doing they are only incurring the risk of criminal prosecution. The people are at liberty to drink or not to drink liquor as they choose; and whoever shall threaten them saying that they shall not drink, or commit assault, shall be prosecuted, and severely punished with punishment prescribed in law.

(signed) *A. Keyser*,
District Magistrate, Kolába.

(True translation.)

29 September 1886.

(signed) *Vasudev Jagannath*,
Pleader, High Court.

Enclosure 14, in No. 2.

My dear Keyser, Poona, 15 January 1887.

My visit to Vishnu Pátankar was made in company with Chitre, the Mámlatdár, and also 2nd class head constable Ganu Rámji Sinde. Of course I never threatened them at all. I merely explained that the agitation was illegal, and I got Chitre to read out the section of the Penal Code about intimidation just to explain the law. I stated that an influential man like an Inámdár should be careful not to use his influence wrongly, and Chitre added that it was like the system under which in Bengal the zamindárs were held responsible. I suppose that is the foundation for the "deprivation of the inám" story. I went

I went to the village on a Sunday*; you can find the date in Goldsmid's diary. Vishnupant's people denied all knowledge of meetings and agitation.

* 3rd October.

(True copy.)

Alfred Keyser,
Collector and District Magistrate.

Mr. Chitre, the Mámlatdár, says he only said it was the duty of the Inámdár to see that his ryots obeyed the law.

17 January 1887. *A. K.*, Collector.

Enclosure 15, in No. 2.

(No. 438 of 1887.)

To the Solicitor to Government, Bombay.

Judicial Department, Bombay Castle,
22 January 1887.

Sir,

I AM directed to forward you the accompanying letter from the District Magistrate, Kolába, No. 3, dated 17th instant, regarding an application made by one Vishnu Govind Pátankar, Inámdár of Chikli, táluka Panvel, to the High Court for the transfer of a case in which a complaint of criminal intimidation has been made against him, from the Court of Mr. Drew, 1st Class Magistrate, to be tried in some other district under Section 526 of the Criminal Procedure Code.

2. In forwarding these papers I am to request that you will be so good as to instruct the Honourable the Advocate General to oppose the application. The Advocate General should inform the High Court that he does so, not because Government take any interest in the prosecution or care where the case is tried, but because the application for transfer imputes motives and actions to Government and its officers which it is necessary emphatically to repudiate.

3. He should at the same time explain the views and attitude of Government in this matter. The temperance movement, as it is called, no doubt affects the revenue of Government; but Government views the movement, so far as it is a genuine movement in favour of temperance, with satisfaction, feeling sure that it will be repaid for any loss of revenue by the increased prosperity of its subjects. It is to be feared, however, that the whole object of the movement is to induce Government to reduce the tax on toddy, and thus to make liquor cheaper, and so promote intemperance.

4. I am to forward herewith Compilation No. 479 of the Revenue Department, which contains the reports of proceedings by the leaders of the movement, which indicate the risk to public order threatened by those proceedings. Government, as soon as it was made acquainted with the issue of Mr. Keyser's proclamation of September 1886, ordered it to be withdrawn, because, although it was strictly legal, it might be misconstrued into an indication of a desire on the part of Government to suppress the movement.

5. At the same time it is the duty of the officers of Government who have to administer the law to see that the promoters of the movement do not use intimidation to further their object; and if any person complains to a magistrate that he has been intimidated, the magistrate has no choice but to enforce the law. It is wholly untrue that Government or its officers have encouraged such complaints. It is possible that the liquor contractor, in his own interests, may have done so, but that is a matter with which Government has no concern.

6. I am to add that the district magistrate has been directed to place himself in communication with you, and to supply you with such affidavits as may be required.

7. I am to request that the original papers herewith sent may be returned to this Department when they are no longer required.

I have, &c.
(signed) *A. Shewan,*
Under Secretary to Government.

Enclosure 16, in No. 2.

COPY of the High Court's Judgment recorded in the case of *Vishnu Govind Pátankar* in Criminal Application, No. 4 of 1887.

(Per *West* and *Birdwood, J. J.*)

23 February 1887.

A POINT in this application to which the Court had to give special attention was the alleged conversation of Mr. Drew with the liquor contractor. Nothing has, however, been proved tending to show that the said conversation had anything to do with the prosecution in this case. The fact of Mr. Drew being a zealous officer is in no way a point in favour of the present application; it is only natural and proper that he should be so. It was also very natural that the complainant should have gone to an European officer, under the peculiar circumstances of the case, in preference to the Mámlatdár, who was the local magistrate. The Court is of opinion that there is no cause whatever shown for believing that Mr. Drew is likely to be prejudiced or influenced by any improper motive in the decision of the case. Under such circumstances a magistrate should be supported by the High Court, and it would be highly improper to throw gratuitously a slight on the magistrate by the transfer of the case from his Court. The applicant, moreover, is proved to have made reckless, if not wilfully false, statements as to threats having been made to his family. This fact alone would tend to deprive him of the sympathy of this Court. The Court sees no sufficient reason to interfere in the case, and has no doubt that the magistrate, Mr. Drew, will do his duty properly. As to the allegation that four similar cases have already been disposed of by Mr. Drew, the Court thinks that the fact of his decision in those cases not having been appealed against, or in any other way objected to, would seem to justify the inference that they were properly and uprightly decided. The Court is of opinion that the present application is entirely unfounded, and it must be rejected.

By the Court,
(signed) *A. K. Oliver,*
Acting Deputy Registrar.

Enclosure 17, in No. 2.

STATEMENT showing the Quantities of TODDY and MHOWRA SPIRIT in Gallons Consumed in the Tálukás of the *Thána* and *Kolába* Districts, during the Months of December 1886, January and February 1887.

District and Táluka.	DECEMBER 1886.				JANUARY 1887.				FEBRUARY 1887.				TOTAL.			
	Toddy Spirit.		Mhowra Spirit.		Toddy Spirit.		Mhowra Spirit.		Toddy Spirit.		Mhowra Spirit.		Toddy Spirit.		Mhowra Spirit.	
	25° U. P.	60° U. P.	25° U. P.	60° U. P.	25° U. P.	60° U. P.	25° U. P.	60° U. P.	25° U. P.	60° U. P.	25° U. P.	60° U. P.	25° U. P.	60° U. P.	25° U. P.	60° U. P.
THÁNA:																
Kalyán	- -	- -	1,727	163	- -	- -	2,199	184	- -	- -	2,757	205	- -	- -	6,683	552
Bhiwndi	- -	- -	932	360	- -	- -	1,093	517	- -	- -	1,798	266	- -	- -	3,823	1,143
Váda	- -	- -	445	27	- -	- -	550	45	- -	- -	849	124	- -	- -	1,844	196
Murbád	- -	- -	413	4	- -	- -	593	26	- -	- -	790	5	- -	- -	1,796	35
Sháháp ur	- -	- -	1,084	159	- -	- -	1,345	171	- -	- -	838	297	- -	- -	3,267	627
Karjat	- -	- -	920	75	- -	- -	1,049	51	- -	- -	1,165	39	- -	- -	3,134	165
Sálsette	- -	5,011	1,578	6,245	8	4,600	2,532	7,125	7	3,773	4,892	10,968	15	13,384	9,002	24,338
Bassein	- -	1,713	166	3,672	- -	2,774	143	1,596	- -	5,849	283	4,180	- -	10,336	592	9,448
Máhim	- -	2,104	150	2,117	42	3,747	145	1,381	19	4,042	154	4,660	61	9,893	449	8,158
Dáhánu	- -	631	155	447	- -	1,191	130	279	- -	681	463	537	- -	2,503	748	1,263
Umbargaon	- -	- -	10	772	- -	- -	11	880	- -	- -	315	674	- -	- -	336	2,326
TOTAL	- -	9,459	7,580	14,041	50	12,312	9,790	12,255	26	14,345	14,304	21,955	76	36,116	31,674	48,251
KOLÁBA:																
Panvel	- -	118	2,411	1,461	- -	253	2,782	1,778	- -	58	3,926	3,761	- -	429	9,119	7,000
Bágáyat Portion	354	3,945	211	596	352	4,467	205	662	318	4,541	296	1,762	1,024	12,953	712	3,020
Kharápát Portion	- -	- -	743	- -	- -	- -	969	- -	- -	- -	1,410	- -	- -	- -	3,122	—
Pen	- -	- -	1,746	133	- -	- -	2,169	158	- -	- -	2,772	138	- -	- -	6,687	429
Roha	- -	- -	376	233	- -	- -	426	332	- -	- -	450	300	- -	- -	1,252	865
Mángaon	- -	- -	257	- -	- -	- -	252	- -	- -	- -	369	- -	- -	- -	878	—
Mahád	- -	- -	349	- -	- -	- -	397	- -	- -	- -	431	- -	- -	- -	1,177	—
TOTAL	354	4,063	6,093	2,423	352	4,720	7,200	2,930	318	4,599	9,654	5,961	1,024	13,382	22,947	11,314

Bombay, 5 April 1887.

C. B. Pritchard,
Commissioner of Customs, Salt, Opium and Ábkári.

Enclosure 18, in No. 2.

COMPARATIVE STATEMENT showing the Quantity of SPIRIT Removed from the DISTILLERIES at *Uran*, and the Amount of DUTY Collected thereon during the Portions of the Years 1885 and 1886 ending December.

YEARS.	For 11 Months ending November.		During December.		For 12 Months ending December.		Remarks.
	Quantity Removed.	Amount of Duty Collected.	Quantity Removed.	Amount of Duty Collected.	Quantity Removed.	Amount of Duty Collected.	
EXPORTED TO BOMBAY.	*Galls. qts.*	*Rs. a. p.*	*Galls. qts.*	*Rs. a. p.*	*Galls. qts.*	*Rs. a. p.*	
Ordinary Spirit 25° to 10° U.P., at *Rs.* 2. 12. 0. per Gallon of Strength, not exceeding 25° U.P., with a *pro ratâ* addition:							
1885 - - -	5,03,290 7	14,75,243 14 10	53,035 0	1,56,381 9 11	5,56,325 7	16,31,625 8 9	
1886 - - -	4,94,716 3	14,44,979 6 5	47,072 3	1,37,234 7 8	5,41,788 6	15,82,213 14 1	
Spirit of Wine, at *Rs.* 4 per Gallon, London Proof, with a *pro ratâ* addition for Over-Proof Strength:							
1885 - - -	714 2	4,440 10 9	71 7	447 9 11	786 1	4,888 4 8	
1886 - - -	453 6	2,811 7 7	27 3	169 12 2	481 1	2,981 3 9	
Methylated Spirit of Wine, at 5 per cent. *ad valorem* (*Rs.* 2. 12. 0. per Gallon):							
1885 - - -	262 3	36 1 2	52 5	7 3 9	315 0	43 4 11	
1886 - - -	103 2	14 3 2	51 5	7 1 7	154 7	21 4 9	
EXPORTED TO PLACES IN THE THÁNA COLLECTORATE.							
Ordinary Spirit 25° and 60° U.P., at *Rs.* 2 and *Re.* 1 respectively, per Liquid Gallon:							
1885 - - -	2,61,159 4	- - -	35,409 1	- -	2,96,568 5	- - -	Duty collected at place of destination.
1886 - - -	3,06,302 6	- - -	18,543 1	- -	3,24,845 7	- - -	
EXPORTED TO PLACES IN THE KOLÁBA COLLECTORATE.							
Ordinary Spirit 25° and 60° U.P., at *Rs.* 2 and *Re.* 1 respectively, per Liquid Gallon:							
1885 - - -	1,27,983 7	- - -	17,342 2	- -	1,45,326 1	- - -	
1886 - - -	1,25,508 6	- - -	11,285 0	- -	1,36,793 6	- - -	
EXPORTED TO MURUD IN THE JANJIRA STATE.							
Ordinary Spirit 25° and 60° U.P., at *Rs.* 2 and *Re.* 1 respectively, per Liquid Gallon:							
1885 - - -	409 2	- - -	- -	- -	409 2	- - -	
1886 - - -	383 7	- - -	- -	- -	383 7	- - -	

Enclosure 19, in No. 2.

COMPARATIVE STATEMENT showing the Quantity of SPIRIT Removed from the DISTILLERIES at *Uran*, and the Amount of DUTY Collected thereon during the Portions of the Years 1886 and 1887 ending January.

YEARS.	For One Month (January).		REMARKS.
	Quantity Removed.	Amount of Duty Collected.	
EXPORTED TO BOMBAY.	*Galls. qts.*	*Rs. a. p.*	
Ordinary Spirit 25° to 10° U.P., at *Rs.* 2. 12. 0. per Gallon of Strength, not exceeding 25° U.P., with a *pro ratâ* addition:			
1886 - - - - - - -	45,823 1	1,34,879 1 7	
1887 - - - - - - -	45,721 5	1,33,280 14 9	
Spirit of Wine at *Rs.* 4 per Gallon, London Proof, with a *pro ratâ* addition for Over-Proof Strength:			
1886 - - - - - - -	5 1	31 9 4	
1887 - - - - - - -	177 5	1,093 8 9	
Methylated Spirit of Wine, at 5 per cent *ad valorem* (*Rs.* 2. 12. 0. per Gallon):			
1886 - - - - - - -	—	—	
1887 - - - - - - -	10 3	1 6 10	
EXPORTED TO PLACES IN THE THÁNA COLLECTORATE.			
Ordinary Spirit 25° and 60° U.P., at *Rs.* 2 and *Re.* 1 respectively, per Liquid Gallon:			
1886 - - - - - - -	29,564 2	- - -	Duty collected at places of destination.
1887 - - - - - - -	29,907 6	- - -	
EXPORTED TO PLACES IN THE KOLÁBA COLLECTORATE.			
Ordinary Spirit 25° and 60° U.P., at *Rs.* 2 and *Re.* 1 respectively, per Liquid Gallon:			
1886 - - - - - - -	13,881 4	- - -	
1887 - - - - - - -	9,492 0	- - -	

Enclosure 20, in No. 2.

COMPARATIVE STATEMENT showing the Quantity of SPIRIT Removed from the DISTILLERIES at *Uran*, and the Amount of DUTY Collected thereon during the Portions of the Years 1886 and 1887 ending February.

YEARS.	During January.		During February.		For Two Months ending February.		Remarks.
	Quantity Removed.	Amount of Duty Collected.	Quantity Removed.	Amount of Duty Collected.	Quantity Removed.	Amount of Duty Collected.	
EXPORTED TO BOMBAY.	*Galls. qts.*	*Rs. a. p.*	*Galls. qts.*	*Rs. a. p.*	*Galls. qts.*	*Rs. a. p.*	
Ordinary Spirit 25° to 10° U.P., at *Rs.* 2. 12. 0. per Gallon of Strength, not exceeding 25° U.P., with a *pro ratâ* addition:							
1886 - - -	45,823 1	1,34,879 1 7	45,840 7	1,34,524 5 4	91,664 0	2,69,403 6 11	
1887 - - -	45,721 5	1,33,280 14 9	41,883 1	1,21,762 6 10	87,604 6	2,55,043 5 7	
Spirit of Wine at *Rs.* 4 per Gallon, London Proof, with a *pro ratâ* addition for Over-Proof Strength:							
1886 - - -	5 1	31 9 4	88 2	542 3 9	93 3	573 13 1	
1887 - - -	177 5	1,093 8 9	- -	- - -	177 5	1,093 8 9	
Methylated Spirit of Wine, at *Rs.* 5 per cent. *ad valorem* (*Rs.* 2. 12. 0. per Gallon):							
1886 - - -	—	—	—	—	—	—	
1887 - - -	10 3	1 6 10	- -	- - -	10 3	1 6 10	
EXPORTED TO PLACES IN THE THÁNA COLLECTORATE.							
Ordinary Spirit 25° and 60° U.P., at *Rs.* 2 and *Re.* 1 respectively, per Liquid Gallon:							
1886 - - -	29,564 2	- - -	35,305 0	- - -	64,869 2	—	
1887 - - -	23,907 6	- - -	38,990 4	- - -	62,898 2	—	
EXPORTED TO PLACES IN THE KOLÁBA COLLECTORATE.							
Ordinary Spirit 25° and 60° U.P., at *Rs.* 2 and *Re.* 1 respectively, per Liquid Gallon:							
1886 - - -	13,881 4	- - -	13,655 6	- - -	27,537 2	—	
1887 - - -	9,492 2	- - -	16,949 3	- - -	26,441 5	—	
EXPORTED TO MURUD IN THE JANJIRA STATE.							
Ordinary Spirit 25° and 60° U.P., at *Rs.* 2 and *Re.* 1 respectively, per Liquid Gallon:							
1886 - - -	—	—	—	—	—	—	
1887 - - -	- -	- - -	665 0	- - -	665 0	—	

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RETURN to an Address of the Honourable the House of Commons, dated 22 July 1889;—*for*,

"COPIES of GOVERNMENT OF INDIA DESPATCH, dated the 22nd day of June 1889, with its ENCLOSURES, including REPORTS by Mr. *Tucker*:

"And, of MEMORIAL of the INDIAN ASSOCIATION OF CALCUTTA, dated the 12th day of April 1888 (in continuation of House of Lords' Return, (No. 14), 5th March 1889)."

India Office,
25 July 1889.

J. A. GODLEY,
Under Secretary of State for India.

(*Mr. Bradlaugh.*)

Ordered, by The House of Commons, *to be Printed*,
26 *July* 1889.

LONDON:
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281.

COPIES of GOVERNMENT OF INDIA DESPATCH, dated the 22nd day of June 1889, with its INCLOSURES, including REPORTS by Mr. *Tucker*:—And, of MEMORIAL of the INDIAN ASSOCIATION OF CALCUTTA, dated the 12th day of April 1888 (in continuation of House of Lords' Return, (No. 14), 5th March 1889).

No. 11, of 1889.

Government of India.—Revenue and Agricultural Department.—Emigration.

To the Right Honourable Viscount *Cross*, G.C.B., Her Majesty's Secretary of State for India.

My Lord, Simla, 22 June 1889.

IN our Despatch No. 1 (Emigration), dated 22nd January 1889, we gave an account of the proceedings which had taken place up to that date in connection with inland emigration from Bengal to Assam, and explained that until we had conferred with the Chief Commissioner of Assam, who was then expected in Calcutta, and with the Bengal Government, we were unable to decide how far further inquiry might be requisite as to the working of Act I. of 1882, or what would be the earliest date by which it would be possible for us to determine whether new legislation upon this subject was called for, or not. We are now in a position to place before your Lordship our more mature views on this subject.

2. We will first explain what action has been taken since the date of our last communication. It was stated in the 6th paragraph of the Despatch above quoted that we were disposed to agree with the Bengal Government that a case had been made out for introducing reforms in the system of recruitment, and for establishing more effectual sanitary control over free emigrants on their way to Assam. After conferring with the Lieutenant Governor of Bengal and the Chief Commissioner of Assam, we decided that one step at all events might be taken at once, which would have the effect, without interfering with the working of the Inland Emigration Act, of enabling the Bengal Government to deal more effectually with sanitary difficulties, and in some measure to strengthen its hands in repressing abuses connected with recruitment. This was the enactment of a short Sanitary Act in the Provincial Council. A Bill was accordingly prepared, and passed into law on the 7th ultimo.* As your Lordship will observe, this Act establishes ample control by the Provincial Government over sanitary arrangements on the emigrant routes to Assam; and, by providing that all emigrants shall proceed by prescribed routes and halt at fixed depôts, and that all persons who engage or assist others to emigrate may be required to furnish way-bills and otherwise to carry out the instructions of the Act, places the local authorities in a very much better position to watch over the interests of assisted emigrants and to counteract the abuses which attend the recruiting system.

3. The question was at the same time carefully considered whether any early legislation was expedient or necessary for the general or partial amendment of Act I. of 1882. It was decided at the conference to which allusion has already been made that before any safe conclusions could be formed upon this point the Chief Commissioner of Assam should be required to provide us with more definite and fuller information on the following points:

(*a*) the relations between coolies and planters;

(*b*) the sanitary condition of tea plantations;

(*c*) the

* *Vide* Papers forwarded with the Viceroy's letter (Legislative) No. 18, dated 13th May 1889.

(*c*) the sanitary arrangements *en route* within Assam to tea plantations;
(*d*) the working of the system of local contracts under Sections 111 and 112 of the Act;
(*e*) the expediency of reducing the minimum term of contract from three years to one;
(*f*) the effect in Assam which would result from modifying the present system of recruitment by introducing a stricter system of registration, either of persons willing to emigrate, or of contracts, or by any other measure;
(*g*) the effect of excluding Dhubri from the list of labour districts.

4. The Chief Commissioner was addressed accordingly in our letter No. 30E., dated 13th February 1889, which forms one of the enclosures of this Despatch. He was also asked to state what measures would be taken to secure the opinion of the planters.

Mr. Fitzpatrick replied on the 26th March after his return to his province. His letter recommended adherence to the plan which he intimated that he had already formed, viz.:

(1) to complete during his cold weather tour his examination of the working of the present system;
(2) to issue, at the close of his tour, circulars to the officers of the administration detailing the points on which further investigation and report might be required;
(3) to collate their reports before going into camp in November next, and then during his winter tour to clear up points still remaining doubtful, in personal discussion with officials and others interested in the matter, and to submit his final report in March of next year.

He represented that he could not, unless this programme could be sanctioned, give a really satisfactory report on the points enumerated in the preceding paragraph.

5. In the same letter, however, Mr. Fitzpatrick offered to submit, if required to do so, the best report he could in the approaching autumn. He did not recommend this course; and we have agreed with him in considering it much less satisfactory than that for which he had expressed his preference. It has moreover now become out of the question that the Chief Commissioner should submit a report in the autumn, in view of Mr. Fitzpatrick's early departure from Assam, and the impossibility of his successor mastering so intricate a subject before having had the opportunity of making a tour through the Province. We should certainly deprecate any general revision of the Act that was not based upon a careful and complete investigation of the conditions and circumstances of the province in which emigrants are employed, as well as of those of the province in which they are recruited. A copy of the detailed instructions recently issued by the Chief Commissioner of Assam to the district officers of the Province, in connection with the proposed inquiries, forms another of the enclosures to this Despatch, and will, we think, convince your Lordship of the impossibility of obtaining the full information which we require within an earlier period than that named by Mr. Fitzpatrick.

6. There remains the question whether the abuses attending recruitment are so prevalent, or of such a character as to require any special and partial amendment of the Act in anticipation of a general review of the law affecting inland emigration. We do not think that they are, and we believe that no case has been made out for any urgent legislation beyond that which has recently taken place in the Bengal Council. This will, we believe, secure to the local authorities not only a sufficient control over sanitary arrangements, but also greater facilities for inspecting the batches of assisted emigrants *en route* to Assam. We anticipate that the active measures which are now being taken by the Bengal Government to use the authority given by the criminal law for the investigation and repression of abuses connected with recruitment, will go far to reduce criminal or illegal action within very narrow limits, and we have recently supported the efforts of the Local Government in this direction by extending for another year the employment of a special police officer on the duty of

of dealing with cases in which recruiters overstep the law. We have moreover sufficient reasons for suspecting that the allegations hitherto made regarding the existence of malpractices have been, in many instances, either exaggerated or unfounded. The result of the inquiries which have been instituted has been to show that the cases in which such malpractices have actually occurred form a very small percentage, and that such cases would as a rule be cognisable by the police under the ordinary criminal law. In the Report on Labour Immigration for 1887, the Chief Commissioner of Assam points out that against a number of 25,500 emigrants there were only 26 cases of alleged malpractice, and that in many of these there was clearly great exaggeration; and he proves this to be so by an examination in detail of each one of them. Mr. Tucker, the special police officer to whom reference has just been made, reports 31 cases, all apparently of 1888, of which eight proved to be false, and eight more had to be abandoned, and were probably false. Of others still under inquiry many were of a very doubtful character; while in every case in which there had been, or was likely to be, a conviction, open violence had occurred with which the police had, under the criminal law, full power to deal. We attach as Appendix A. to this Despatch a memorandum in which the cases reported by Mr. Tucker are made the subject of a more detailed analysis.

7. We desire to guard ourselves against being supposed to deny that abuses exist. They are inevitable under any system of emigration on a large scale. Misrepresentations will be made both to men and to women of the advantages of the life for which they are invited to abandon their own country. But we contend that before we can consider ourselves justified in contemplating a step so retrograde as the abolition of free emigration, a very much stronger case must be made out to prove not only that malpractices are common, but that the police are unable under the ordinary law to suppress them.

The whole of our emigration policy has in recent years been directed to the removal rather than the imposition of restrictions; and it has been found that as facilities of communication have been improved, abuses have gradually disappeared. The extensive flow of labour from Madras to Ceylon and the Straits, from Madras and Chittagong to Burma, and from Bengal itself to the Duars, is unfettered by any restrictions, and is now practically free from any of the evils which are represented to attend the recruitment of labourers for Assam. We would remind your Lordship that, although it is true that the labourers in Burma and the Duars are not placed under penal contracts, except so far as Act XIII. of 1859 may be applied to their case, yet both in Ceylon and the Straits there are labour ordinances, and the planters pay a moderate fee for the coolies brought to them. The easy system of transport has much to do with these favourable results. We are convinced that in the same way the opening up of railway communication with Assam would do more to reduce to a minimum the percentage of cases, small as it now is, in which malpractices can be proved, than any system of general registration which, however effectual it might be in the discovery and punishment of abuses, would carry with it the still greater evils of checking the flow of emigration and of interfering both with the liberty of the people and with the natural relations between the demand for, and the supply of labour. Assured as we are of the advantage which Assam emigration offers to the overcrowded districts of Bengal, and of the general superiority of the condition of the tea coolies in Assam over that of their fellows whom they leave behind in their native villages, we are unable to permit ourselves to take any step in the direction of restrictive legislation without the fullest deliberation and the most complete conviction of the necessity of such action. We have therefore decided to await the further reports called for from the Chief Commissioner of Assam, before dealing in any respect with the Amendment of Act I. of 1882.

We have, &c.
(signed) *Lansdowne.*
F. S. Roberts.
G. Chesney.
A.R. Scoble.
C. A. Elliott.
P. P. Hutchins.
D. Barbour.

(ENCLOSURES.)

APPENDIX A.

MEMORANDUM on Complaints of Recruiting Abuses.

IT will be convenient to refer first to the Chief Commissioner's remarks in paragraph 3 of the Immigration Report, quoted as an Appendix to his letter of 26th March 1889. He points out that in 1887 out of 25,500 emigrants there were only 26 cases of alleged malpractice; that in many of these there was clearly great exaggeration; that it is absurd to talk of large bodies of men being marched off from Bengal or Behar to Dhubri as prisoners and against their own will; that when such a body is diverted from one destination to another, it must certainly be with the connivance of the Sardár or recruiter, who of course has to tell his employer some sort of a story to excuse himself; that the cases of single women are especially exaggerated, although there is little doubt that they all start of their own free will and (supposing registration at starting to be requisite) would then be prepared to say anything which their temporary protectors tell them.* In the same place Mr. Fitzpatrick examines in detail the 26 complaints which had been brought to his notice.

* The reports of 1885–86 by the Government of Sir R. Thompson and the then Chief Commissioner, Sir C. Elliott, contain similar observations.

2. The number of emigrants in 1888 has not been reported, but was certainly in excess of 25,000. In this year Mr. Tucker was specially deputed to investigate complaints which had been or might be brought forward in connection with the action of arkatis or recruiters. In his report dated 29th September 1888 he mentions 31 cases, all apparently relating to 1888.

3. In Nos. 13, 15 to 18, and 21 to 30, the alleged victims were females, and these cases strongly confirm what Mr. Fitzpatrick had previously remarked on this class of complaint. In No. 13 the women admitted at the trial that their previous statements were false and the accused were acquitted. In 22 the magistrate found that the woman had gone away of her own free will. Twenty-three was also found to be false, and Nos. 17 and 24 to 28 had to be abandoned. No. 15 is a curious case, but has but little connection with emigration though the complainant and the accused happened to be *arkatis*. The former sold his wife to the latter and then charged him with having kidnapped her; the woman was a consenting party and had actually married the defendant. No. 18 also turned out to have no connection with emigration; the three girls had been ill-treated at home and took refuge in a mission-house. No. 21 is still under inquiry, but the woman's statements seem absurd and incredible on their face. In No. 16 it has been ascertained that there was no misrepresentation or other malpractice on the part of the recruiters with whom the girls went, and the case is chiefly remarkable as showing how easy it is for an emigrant to complain and get sent back to her family. In 29 also the girls (assuming their story to be in all respects true and free from exaggeration) found no difficulty in effecting their escape and returning home. In case No. 30 the women complained with effect to a native doctor; this case is shown in the first Report as under inquiry; from the Report dated 23rd April 1889, it appears to have ended in a conviction of rioting and cheating, or attempting to cheat, but the girls' complaint does not seem to have alleged either of these offences.

4. In cases 14 and 19 the alleged victims were boys of 13 and 12, respectively. In 19 the boy of 12 turned out to be a young man of 18, and had emigrated voluntarily. Fourteen is still under inquiry; the boy was sent home by the forwarding agent as soon as he protested.

5. In case 31 an unlicensed subordinate is said to have persuaded coolies passed by his master to transfer themselves to other employers. He may have been guilty of fraud on his principal, but there was no fraud on the cooly. The conviction obtained before the magistrate has been set aside on appeal.

6. Case No. 11 is a very good illustration of Mr. Fitzpatrick's remarks. It was a false complaint made by the recruiting agent of a Dooar planter by way of excuse to his employer for his failure to bring any coolies. No. 12 was a case between rival recruiters, but is still under inquiry. In Nos. 4 to 10 a very large number of men are alleged to have been forcibly seized and carried off to the tea-gardens. In some cases they have never been found. No. 9 seems to have been a true case; there was an immediate complaint and the police acted promptly. In Nos. 4, 5 and 6 also there have been convictions, and the allegations must have had some substantial basis of fact. They are, however, open to this remark, that the forcible seizure and confinement of large bodies of men would be impossible if the police were even moderately efficient, while the involuntary removal even of a single individual to Dhubri, by the route and through the depôts prescribed under the new Act, would be wholly impracticable. Nos. 7, 8 and 10 are still unproved, and in each case the complainant was himself a recruiter and unlikely to be deceived In No. 8 he had himself signed a labour contract and worked for some time under

under it. In No. 7 he was certainly examined at Dhubri, for he and his wife had been rejected as unfit or unwilling; the presumption therefore is that his coolies were also examined and found both fit and willing. Ten seems a very similar case to 11, which has been noticed above; the complainant at once made his escape, but went on to his garden instead of complaining.

7. The remaining cases, 1, 2, 3 and 20, were all the work of one gang which has been broken up by Mr. Tucker's energetic proceedings, and he reports that the Dooar route is now open and "no longer infested by arkatis." In No. 1 the coolies resisted successfully.

8. In addition to these four there were convictions in six other cases; eight proved false, seven were abandoned, and six remain under inquiry and doubtful.

9. Mr. Tucker's second report bears date February 1889, and mentions only three new cases. The second is precisely similar to No. 19 mentioned above; a boy alleged to be 12 years of age turned out to be 18, and had emigrated voluntarily. The third is a characteristic instance of the female victim; the girl went of her own accord, but changed her mind and had no difficulty in escaping, though she said she had been locked up; during the inquiry she again changed her mind and returned to the same depôt, quite willing and anxious to go to Cachar.

10. The first case is a serious one, but it does not appear that it had any connection with emigration, and the Bengal Government has withdrawn it from Mr. Tucker as being outside the scope of his special employment. Five men dressed as constables are said to have taken away five young women as witnesses after dark, and they have not since been heard of. Bearing in mind native customs, it is most extraordinary that no male relative accompanied them, and the whole story seems suspicious.

11. The third report is dated 23rd April 1889, and gives details of seven other complaints. In No. 1 three men have been convicted of wrongfully confining a miner and his wife and child. There is the usual pretence that some intoxicating drug was administered, but they seem to have gone willingly, though they afterwards changed their minds. In this case, as in the others in which convictions have been obtained, the ordinary law has been found sufficient, but it of course requires to be put into operation. No. 2 is under trial; the alleged victims were stopped at Dhubri and sent back; they intended to emigrate to Sylhet, but not to the Assam Valley. No. 3 is also under inquiry, and may be similar to No. 11 mentioned above. In No. 4 the only fact ascertained is that a boy has disappeared. Nos. 5 and 6 are really one case and still under inquiry; it remains to be seen whether the girls were really deceived or had merely changed their minds; one thing is quite clear that when they refused to go on they were sent back; when they chose they could raise an alarm, and obtain the assistance of the police. In the last case a servant girl became the willing mistress of an arkati; she says he was taking her to be sold as a cooly, but the case has yet to be proved.

APPENDIX B.

CORRESPONDENCE with the Government of Bengal and the Chief Commissioner of Assam.

(No. 30—5-9, dated *Calcutta*, the 13th February 1889.

From *W. R. Lawrence*, Esq., Under Secretary to the Government of India, Revenue and Agricultural Department, to the Chief Commissioner of Assam.

IN continuation of my letter No. 79E. of the 25th May last, and previous correspondence, on the subject of the working of the Inland Emigration Act, I. of 1882, I am directed to forward, for your information, a copy of a note, embodying the conclusions arrived at at the consultation recently held on the subject, and to request that you will favour the Government of India, at as early a date as possible, with the report required under the second clause of the note accompanying.

2. It is requested that in furnishing the report you will also supply more definite and fuller information on the following points:—

(*a*) The relations between coolies and planters;
(*b*) The sanitary condition of tea plantations;
(*c*) The sanitary arrangements *en route*, within Assam, to tea plantations;
(*d*) The working of the system of local contracts under sections 111 and 112 of the Act;
(*e*) The expediency of reducing the minimum term of contract from three years to one;
(*f*) The effect in Assam which would result from modifying the present system of recruitment by introducing a stricter system of registration, either of willingness to emigrate or of contracts or otherwise;
(*g*) The effect of excluding Dhubri from the list of labour districts.

3. I am also to request that in submitting the report required under Clause 2 you will state what measures will be taken to secure the opinion of planters on the working of the present Act, or on any changes which may be suggested for the improvement of the present system.

WORKING of the INLAND EMIGRATION ACT, I. of 1882.

(No. 899.)

From the Officiating Secretary to the Chief Commissioner of Assam to the Secretary to the Goverment of India, Revenue and Agricultural Department.

(Judicial Department.)

Sir, Dated Shillong, 26 March 1889.

I AM directed to acknowledge the receipt of Mr. Lawrence's letter No. 30E., dated the 13th ultimo, on the subject of the working of the Inland Emigration Act, No. I. of 1882, and to submit the following remarks:—

2. In the letter under acknowledgment the Chief Commissioner is requested to state the character of the inquiry he proposes to institute, with a view to furnishing the report required by paragraph 4 of Lord Cross's Despatch No. 102, dated 4th November 1886, and in particular what measures will be taken to secure the opinions of planters, and further to say whether the inquiry can be completed so as to admit of the report being submitted at an earlier date than that already ordered, namely, the end of 1889.

3. The Chief Commissioner, I am to say, in laying out his plans for the preparation of the important report in question, has been guided by Mr. Lawrence's endorsement No. 8, dated 13th January 1887, which, in forwarding Lord Cross's Despatch, directed that the report should cover the working of the Act for the year 1889, and should be submitted "as soon after the 1st January 1890 as possible." His plan accordingly has been—

(1.) To see for himself as much of the working of the system as he could during his present cold-weather tour, which extends over both the Surma and Assam Valleys;

(2.) To prepare and issue on his return to headquarters in April, a very full circular addressed to Deputy Commissioners, discussing in a suggestive manner all the points (including among others those mentioned in paragraph 2 of Mr. Lawrence's letter under reply) which have from time to time been raised by official correspondence, or by critics, or which should occur to the Chief Commissioner in the course of his tour, and requiring Deputy Commissioners to investigate them thoroughly in communication with planters among others, and report in detail on them by the end of August or early part of September;

(3.) To collate these reports, and as far as possible prepare his report for Her Majesty's Secretary of State before going on tour in November, then during that tour to have meetings in the principal localities concerned, and discuss the subject with all interested in it, clearing up doubtful points, reconciling discrepancies, and giving a final shape to his suggestions for the amendment of the law.

If this plan were carried out the Chief Commissioner's report would be submitted to you from camp in March 1890, but could not be submitted earlier.

I am to add that it was Mr. Fitzpatrick's impression that if the report were submitted in March it would reach the Government of India at the most convenient season. It would be in vain to hope that proposals involving a large mass of details, such as he will probably have to submit, could be at once accepted and thrown into legislative form. Correspondence which will occupy several months, involving possibly a reference to the Secretary of State, must take place before a Bill can be introduced, and as it would probably be thought desirable to introduce such a Bill in Calcutta, no time would be gained by submitting the report in the autumn.

4. If, however, the Government of India think it necessary to have the report in the autumn, say before the Chief Commissioner starts on his cold-weather tour in November, the Chief Commissioner will, of course, submit it then; but I am to say that in that event he can do little more than frame his report and his proposals for the amendment of the law on the materials furnished by the Deputy Commissioners and such general knowledge as he himself possesses. In such an event he would endeavour to get together at Shillong a few of the most experienced district officers and a few representatives or delegates of the planting community; but he fears that, though a meeting of that sort might

might suffice to prevent its being said that the planters had not been heard, it would not help much towards the framing of amendments of the law which could be relied upon to work smoothly.

5. The fact is that the state of things to be dealt with, as disclosed to the Chief Commissioner in the course of his present tour, is somewhat peculiar. The great varieties that present themselves in the conditions of different plantations in the classes of labourers employed and in the systems prevailing make the subject a very complicated one to deal with. Then, again, the comparative isolation in which planters, even living near each other, work, the want of organization among them, and the impossibility of getting busy men like them to think out a large number of questions the full bearing of which may not be immediately apparent, or discuss them adequately among themselves, make any attempt to obtain their views through the medium of a very small number of representatives somewhat difficult. It is for those reasons that Mr. Fitzpatrick is anxious, if possible, to visit at least the head-quarters of the districts, and perhaps of some of the principal sub-divisions concerned, after he has received the reports of the Deputy Commissioners.

If, however, he should find on receiving the Deputy Commissioners' reports that there is less in them calling for reconciliation and that explanation than he apprehends that there will be, and that they disclose a greater unanimity among the different classes concerned than he anticipates, he will at once frame his own report, and submit it to the Government of India before proceeding on tour. What he would ask is that the question as to whether the report should be submitted in the autumn or in March should be left open until the reports of the Deputy Commissioners have been received and collated.

6. I am to add that, though there are numerous points of detail on which the Chief Commissioner desires to reserve his judgment, pending fuller inquiry, he has no hesitation in saying that there is absolutely nothing in the existing state of things which calls with any such degree of urgency for a revision of the Act of 1882 as would make it of importance whether his report was submitted in the autumn or in the spring. As regards the relations generally between the employer and the labourer, I am to annex to this letter an extract from the last Labour Immigration Report, which sets forth the opinion Mr. Fitzpatrick formed from last year's experience of Assam, and I am to say that what he has since seen goes to confirm that opinion. It may further be stated that steps are now being taken by the planters themselves to establish committees to watch over the treatment of coolies by their employers, a measure from which great assistance to the authorities employed with the administration of the Act may be expected.

7. There are, I am to say, only two important points in which the working and results of the system are to any serious extent unsatisfactory, namely, first, that of the detailed arrangements for the importation of labour; and, secondly, that of the health of the imported labour on the garden.

Both of these points, I am to observe, have been so thoroughly inquired into that there is really little further room left for investigation, and on neither of them, as it seems to the Chief Commissioner, is any amendment of the Act of 1882 urgently required.

8. As regards the former point, the evils of the present system are a want of proper sanitary arrangements along the route and a danger of persons being entrapped or enticed into emigrating by false representations. The subject is discussed at length in paragraph 3 of the last Immigration Report, an extract from which is annexed to this letter. The whole subject has been exhaustively inquired into both in Assam and in Bengal. In Assam the powers given by the existing Act are amply sufficient, and all that was needed was the issue of certain executive orders, which are now in operation, and which, though they cannot be expected entirely to get rid of evils which must exist to a certain extent under any system of emigration on a large scale in any part of the world, will, it is hoped, reduce those evils to the minimum.

In Bengal, on the other hand, where additional powers are needed, the Chief Commissioner believes that all that is required could be effected, without touching Act I. of 1882, by a Sanitary Act, which, while its main object would be that of enforcing a proper system of sanitation, would indirectly check the malpractices of recruiters and *arkatis* by requiring all emigrants to appear before an official, and by providing for the registration of them and of those under whose charge or on whose responsibility they travel.

9. To turn now to the second of the two points above referred to, viz., the health of the imported labourer on the garden, it must, the Chief Commissioner fears, be admitted that the high mortality among freshly-imported labourers forms a heavy set off against the many advantages of the emigration system. This high mortality, however, the Chief Commissioner thinks, is except in some rare cases, in no way due, as has been suggested, to the labourers being overworked. The daily task is light, as may be seen by the very large amount of extra work done by the stronger and more energetic coolies, which often amounts to as much again, and in some instances it is said to twice as much again. Moreover, the extent to which labourers desiring to take a day's rest or to engage in other work apply for and obtain leave of absence from the garden work strikes any one who visits the gardens as extraordinary. The only cases in which the severity of the work

may be suspected to have some effect upon the health of the labourers are those of certain undermanned gardens, where leave of absence is refused, and the labourer is perhaps pressed to do (for extra payment of course) something beyond the ordinary task. These cases will form the subject of special inquiry, but, so far as the Chief Commissioner is aware, they are rare. Nor does the Chief Commissioner believe that the mortality is due, as has likewise been suggested, to insufficient food. The ordinary garden coolie, he believes, is much better fed than others of his class, and many of them add considerably to the wages they earn on the garden by keeping cows and bullocks, and cultivating patches of land for themselves or working for neighbouring landholders.

10. The main causes of the mortality are, he believes, two. The first of these is cholera, which is usually more or less prevalent in Assam, and which, when it attacks a garden, is, owing to the habitations of the coolies being closer together, apt to commit far greater ravages than in an ordinary Assam village, where each house is at a considerable distance from the next.

The second and more important cause of the excessive mortality is the climate of Assam, which, at least in those parts where many of the tea-gardens lie, is by no means a salubrious one for those born and bred in it, and which is peculiarly fatal to new arrivals.

The operation of this cause has hitherto been to a considerable extent aggravated by the contractors, in whose hands a large amount of the emigration business lies, sending up weakly coolies, but the managers of gardens have now had this fact so forcibly brought home to them that, the Chief Commissioner believes, the evil is likely to be less in future. If, however, the efforts of managers to check this evil are not successful, it seems to the Chief Commissioner that it may be a question whether we should not insist on a medical declaration of fitness as distinguished from one of mere freedom from disease, such as, he believes, was required under some of the former Acts.

11. There is, however, the Chief Commissioner fears, no disguising from ourselves that, do what we will, the mortality among new arrivals in some gardens, and especially in gardens established on fresh clearances, will continue to be high. That no pains are spared to cope with this evil will be seen from the chapter of the annual report on unhealthy gardens. It should be added that, subject to what has just been said as to the possibility of its becoming desirable to insist on a medical certificate of fitness, we already possess ample powers to deal with this matter, and further, that the managers of gardens are always most ready to second our efforts in this direction. Among the numerous reports and references which are constantly coming before the Chief Commissioner in connection with sanitation on gardens, he only recollects one instance in which the manager did not readily and at once adopt an improvement proposed by the medical authorities.

12. This being the position, the Chief Commissioner ventures to think that it would be best if he were allowed to take, in respect to the preparation of his report, the course he marked out for himself when the original orders of the Government of India were put before him; but if the Government of India express a wish to have the report in the autumn, leaving it to him to submit it then or in the spring, as he may think best on receiving the Deputy Commissioners' reports, he will do his best to meet their wishes, and if they order him to submit it in the autumn it need hardly be said that he will so submit it, doing what he can under the circumstances.

I have, &c.
(signed) *F. C. Daukes,*
Officiating Secretary to the Chief Commissioner of Assam.

EXTRACT Paragraphs 3 and 5 from the Annual Report on Labour Immigration into Assam for the year 1887.

Working of the Act.

Paragraph 3.—THIS seems the most convenient place to speak of the working of the system of so-called "free immigration."

It must be admitted that that system has worked in a manner very different from what was contemplated by its authors. It is easy for those who are wise after the event to say that this ought to have been anticipated; but it may well be doubted whether any such persons, if they had assisted at the passing of the Act of 1882, would have anticipated what as a matter of fact has happened.

It was thought that the time had arrived when emigrants might be expected to come to Assam in large numbers without much assistance, or at all events without the stimulus and aid of the elaborate organisation then provided by the professional supplier of labour, and that the system of contractors, *arkattis,* and so forth, would in time die a natural death; but, instead of this, the great and ever increasing mass of the labour supply business has remained in the hands of the professionals, with this difference, that, whereas formerly these persons worked under strict regulation and control, they now under the "free emigration" system work free from all control. As a result, certain evils, more or less incident to any system of emigration, have been considerably aggravated.

In

In the first place, we have had in the severe outbreak of cholera which occurred in the early part of the present year,* causing a lamentable sacrifice of human life and most serious pecuniary loss to planters or suppliers of labour, an illustration of the danger of allowing immense masses of emigrants to be transported to Assam without any means of enforcing the most ordinary sanitary precautions; but on this point the Chief Commissioner will not dwell here, as it does not appertain to the year under report. In the second place, the free recruiting system has undoubtedly given rise to a not inconsiderable number of cases of forcible kidnapping and fraudulent enticement of labourers by the understrappers of the professional dealer. As to the nature and extent of this mischief, Mr. Fitzpatrick, having so recently taken charge of the administration, is unable as yet to express any very definite opinion. Moreover, the matter has only recently attracted the attention it deserves, either here or in Bengal, and most of the cases that have been taken up being still under inquiry in Bengal, there is but little information in the Assam offices regarding them. The following, however, are the conclusions to which the Chief Commissioner is disposed to come provisionally, and pending further inquiries which he is making. As regards forcible kidnapping, the charges have commonly proceeded from employers of labour in Bengal or their recruiters, who have alleged that coolies proceeding to an estate in Bengal have been forcibly seized by the servants of a professional contractor, confined in a depôt for Assam emigrants, and, perhaps, ultimately carried off to Assam. That considerable numbers have been so seized and confined in Bengal seems beyond a doubt from some reports of Bengal officers which the Chief Commissioner has seen; but so far as Mr. Fitzpatrick is aware, though charges of carrying the coolies forcibly to Assam, and settling them on plantations there have been made, no such charge has as yet been substantiated, and he must say that it seems to him that the story told in some of these cases is extremely improbable. In what is called the Tiphuk case, *e.g.*, the papers of which the Chief Commissioner has before him at this moment, it is alleged that fifty coolies were by force seized in Bengal, carried to Dhubri, made to execute contracts there, then carried up to the Tiphuk estate in Sibságar, and settled there, and that though they were within easy reach of the district head-quarters, and the Deputy Commissioner visited the plantation, they never breathed a word of their grievance to anybody until months later, when, a complaint having been made by the Bengal employer who had been deprived of their services, a regular inquiry was instituted.

Now it is, the Chief Commissioner admits, conceivable that these men may, in the first instance, have been forcibly seized, but that all the rest could have been effected by force, or even by intimidation, passes belief. It seems to him, so far as he can venture to conjecture, that the probability is that these coolies and their sardárs were paid for abandoning the service for which they had been engaged, and that when the matter came to be inquired into, they thought it best (the coolies acting under instructions from the sardárs) to make out that they had acted under compulsion throughout. An alternative suggestion, and not an improbable one, is that they were deceived by false representations as to the advantages they would enjoy in Assam, but that, however simple and timid they may be, they were under compulsion, whether physical or moral, throughout, it would be most difficult to believe. However this may be, the Chief Commissioner is inclined to think that now that attention has been fully directed to the matter, we have not much to fear in the future from anything in the way of kidnapping, properly so called.

He is inclined to regard the danger from enticement by fraudulent means as on the whole a more serious one; but this, too, he is disposed to think, is apt to be much exaggerated. The entire number of cases in which there was even a suggestion that coolies had been enticed to the Assam Valley during the year 1887, and of which the Chief Commissioner has been able to hear anything, was about 26, against an immigration of upwards of 25,500. Of these, seven were simply cases in which a woman having been abducted somewhere up country, and a reference having been made to the Deputy Commissioner, Dhubri, on the mere chance of something having been heard of her there, it was reported that nothing had been heard. Two were cases in which it appeared that, whatever ground the husband or other members of the family might have had to complain, the immigrants had come of their own free will, and not under the influence of any deception. In eight other cases no trace whatever has been found of the person or persons alleged to have been enticed to Assam, and all that can be said is that they may or may not be cases in which persons were induced to come here by the fraudulent representations of a recruiter. Of the remaining cases, about ten in number, four have been disposed of by the courts in Bengal, one resulting in conviction and three having been dropped. The other six are still under inquiry, chiefly in Bengal, and, owing to the absence of any regular system in dealing with such cases here (a matter which has now been corrected), the Chief Commissioner is unable to say anything regarding them beyond this, that some of them are likely to be true.

There is one sort of enticement case of which the Chief Commissioner himself has learned something since his arrival here, and to which, as it seems to be to a certain extent typical, and to have given a peculiar tinge to the discussion of this subject in the hands of writers for the native press, it may be desirable more particularly to refer. It is that of the female waif or stray, the woman who has been deserted by her husband, the woman who has left her home after a quarrel, the first wife who has been superseded

* Judicial Department Resolution, No. 2,575, dated the 7th September 1888, published in the "Assam Gazette" of 8th September 1888.

superseded by a second, the wife of a Coolin Brahmin, and such like. Such women are often ready almost to go anywhere with anybody, and to do anything, and they seem not unfrequently to fall victims to the professional *arhatti* or recruiter. It may safely be said, however, that at least such of them as are of superior caste would not willingly go to labour on a tea-garden. They have accordingly to be deceived by some false representation, and they are probably told that a home will be provided for them, either as domestic servants or in a less honourable capacity, or perhaps the person who enlists one of them tells her that he will himself marry her, or keep her as his mistress. All then goes well till they reach Dhubri, and it is conceivable that, nothwithstanding the care taken there in the attestation of contracts, a woman may sometimes be got through by being told that the attestation means nothing, and by thus being persuaded to give the required answers. It is only when she is put on board the steamer, and her deceiver leaves her, that she is brought to understand what is before her, and the deception comes to light. Unfortunately, one of these women, when her case comes to be inquired into, is apt, probably under the tutoring of others, to tell a story altogether false in its details. She is a person of unimpeachable respectability, she was led to believe that she was being taken to her husband, or some other member of her family, she was forcibly carried away or concealed on the route, she never appeared before any medical or other officer, either in Calcutta or Dhubri, and so on. The result is that, on the one hand, there is a risk of her story altogether being disbelieved, and, on the other, there is a risk of its being invested with a sensationalism which fixes the attention of the public, and thus leads to this matter of enticement of coolies being regarded as a much commoner incident of the emigration system than it really is. The matter is nevertheless one calling for serious attention, and the Chief Commissioner has issued instructions to the Deputy Commissioner of Dhubri, and also to officers attesting contracts under Section 111 of the Act for the special and separate examination of female recruits unaccompanied by a husband, which, he trusts, will have the effect of checking the evil to some extent.

As regards other classes of the immigrant population, it is manifest that the immense mass of them, coming, as they do, from localities from and to which there is a constant stream of labourers going and returning, could scarcely be imposed upon by any misrepresentation as to the nature of the life before them; but there must be always a certain proportion of persons from localities tapped for the first time, or of recruits picked up by chance, whom it would be very easy to deceive, and who, so long as the present absolutely uncontrolled system continues, are, it is to be feared, often deceived, not perhaps in the precise manner stated by themselves or by writers in the press, but in a manner still harder to bring home to the guilty parties, viz., by simple misrepresentations as to the nature and advantages of the life which lies before them.

For this reason, and, quite as much, if not more, from a regard to the necessity of some system of sanitation and protection for large masses of emigrants en route, the Chief Commissioner is glad to learn that the matter of the so-called "free emigration" is being taken in hand by the Government of Bengal, which controls the recruiting areas.

Paragraph 5. As regards the relations between the employers and the labourers generally, Mr. Fitzpatrick is yet unable to say much; but he has made it a point during the short time he has been here to inquire carefully into every case, whether brought to notice in the press or otherwise, in which there has been the slightest suggestion of a cause of complaint on either side, and he feels bound to say that, so far as he has gone, he sees no reason to dissent from the opinions expressed by his predecessors on this point. With about 900 gardens employing upwards of 323,000 hands, there must, of course, be a certain proportion of bad men, perhaps even of thoroughly depraved men, both among the employers and the coolies. There must be a certain amount of harshness and oppression, at times possibly even of downright cruelty, on the one side, and of turbulence, conspiracies, and maliciously concocted charges on the other; this, unfortunately, is human nature as displayed among all classes of men, and happily we have criminal courts strong enough to deal with it; but, speaking generally, the relations between the employers and the labourers seem to be fairly good. The Chief Commissioner much regrets to observe the attitude taken up by a certain class of writers in the vernacular press on this point, as, indeed, regarding the position of coolies in Assam generally. It is, of course, proper that these writers should bring abuses to notice, and the Chief Commissioner must acknowledge that his attention has been sometimes directed by them to matters which might otherwise have escaped him; but the exaggerations and misrepresentations in which they at times indulge, the bitter hostility some of them exhibit towards the planters, and the undiscriminating opposition most of them display towards emigration, ignoring all the good it has done, and can do, both for the people of this province and the people of the recruiting districts, are calculated to work a lamentable amount of mischief, not only by embittering the relations between the employers and the labourers, but also by deterring people who are in distress in their own country from emigrating to Assam. This latter danger was recently dwelt on in a sensible article in the "Paridarshak," a vernacular newspaper published in Sylhet, and that it is by no means an imaginary one will be seen from the following extract from a letter addressed to a Calcutta newpaper by the Rev. Mr. Heberlet, a Baptist missionary, who recently, from motives of the purest benevolence, brought up to this province a number of distressed Christian labourers from Orissa. After speaking of the advantages gained by these people

people by emigrating to Assam, and of the position of tea-garden labourers, and their relations with the planters, he notices the descriptions to be found in the vernacular papers of the hardships endured by the coolies, and of the atrocities said to be practised upon them by the planters, and then proceeds as follows:—

"These exaggerated reports, I believe, do a great deal of harm by deterring many necessitous people who might better their hard lot by emigrating to the tea districts, and they have operated injuriously, I know, in frightening many of the neediest of the people under my charge to such an extent that they prefer their present miserable condition to the awful lot of garden coolies as depicted in these reports. I had enlisted several of our poor families who were to proceed with me to Assam, and arrangements were being made for our departure, when one of them happened to hear an article read out of a local vernacular paper which dealt with the coolie question, and pictured the horrors of the coolie's lot. He reported what he had heard to his companions, and the result was that more than half of the volunteers drew back at the last moment, and would not be persuaded to go. A time of partial drought in these parts followed, and while the people who went with me to Assam had an abundance of food, those who tarried behind, and had previously been in straitened circumstances, were reduced almost to starvation point. Let me then appeal to those who circulate such reports to consider that they may, in many cases, as in the case of these people, do much harm, and cause much suffering to those whom they desire to save from evils that are largely imaginary."

(No. 94—5-33, dated Simla, the 19th June 1889.)

From Sir *E. C. Buck*, Secretary to the Government of India, Revenue and Agricultural Department, to the Secretary to the Government of Bengal.

WITH reference to my letter No. 77-E.—5-20, dated 14th May 1889, and previous correspondence, I am directed to say that the Government of India, after a careful consideration of the correspondence and of the views of the Governments of Bengal and Assam, has decided that investigation of the issues concerned with inland emigration will most conveniently follow the programme suggested in the second paragraph of the letter No. 899, dated the 26th March last, from the Chief Commissioner of Assam, a copy of which is enclosed for information.

2. In arriving at this decision, His Excellency in Council has been partly influenced by the consideration that a new officer is about to take charge of the Assam Administration, and he cannot be expected to form at once any well-matured conclusions on the various issues with which he will have to deal. No amendment of Act I. of 1882 of a general character can, therefore, come under consideration until the final report is received from Assam in March 1890.

3. I am to add that the question has been separately and carefully considered whether any special amendment of the Act of 1882 is desirable at an earlier date for the purpose of dealing with the abuses connected with recruitment. In consideration of the small percentage of alleged malpractices compared with the whole number of emigrants; the still smaller percentage of cases in which the allegation is proved to be true; the fact that the statutory terms of the contracts under which labourers are placed in Assam are already fairly well known in the districts of recruitment, and that such knowledge must be daily becoming more and more widely extended; the greatly improved facilities afforded by the recent Sanitary Act for the inspection of coolies *en route*, and the success of the active measures now being taken by the authorities in Bengal to deal with such cases under the existing law, His Excellency in Council has determined that it is not expedient or necessary to undertake any urgent legislation in anticipation of the fuller information which will be provided by the Assam report. In conclusion, I am to request that a further report on the whole subject may be submitted by the Government of Bengal simultaneously with that expected from Assam about March 1890.

No. 95—5-38.

COPY forwarded to the Chief Commissioner, Assam, with reference to his letter No. 899, dated the 26th March last.

CIRCULAR calling for Information on the Working of Act I. of 1882.

(Circular, No. 43.)

From the Officiating Secretary to the Chief Commissioner of Assam, to all Deputy Commissioners and Sub-divisional Officers of Labour Districts.

(Judicial Department.)

Sir, Dated Shillong, 30 May 1889.

IN compliance with instructions from the Government of India, I am now directed by the Chief Commissioner to address you on the subject of a thorough inquiry into the working of Act I. of 1882, the Inland Emigration Act, and Act XIII. of 1859, in connection with the tea industry in Assam.

2. Her Majesty's Secretary of State, in reluctantly giving his consent to Act I. of 1882, pointed out objections to some of its provisions, in particular to the extension of the maximum term of contract to five years, and, having regard to the high mortality on tea estates, and the general unhealthiness of some parts of the Province, directed the submission of a special report at the end of three years, with a view to consider the possibility of abandoning exceptional legislation respecting labour contracts in tea gardens. That report was submitted in due course, and subsequently, under the further orders of the Secretary of State, a second triennial report, which is due at the close of the current year, was called for, for the period ending with the year 1889. The Government of India are now pressing for the submission of this report at an earlier date, but Mr. Fitzpatrick has asked that it be permitted to stand over till March 1890, so as to enable him to carry out his original programme of inquiry, which was as follows:—

(1.) After personally examining the working of the system during his cold-weather tour of 1888-89, which has just closed, to issue a circular of this sort, suggesting points on which information should be given, and requiring Deputy Commissioners and sub-divisional officers thoroughly to investigate them in communication with planters and others interested in the subject, and to report on them in detail before the end of the rains.

(2.) To collate these reports, and, so far as possible, prepare his draft report for Her Majesty's Secretary of State before proceeding on his cold-weather tour of 1889-90; during that tour to hold meetings in the principal localities concerned and discuss the subject with all interested in it, and then to give a final shape to his suggestions, and submit his report to the Government of India in March 1890.

Whether it will be possible to carry out this programme fully or not depends in a great measure on the degree of urgency which the Government of India attach to the early receipt of the report; but in any case it is most important that Deputy Commissioners and sub-divisional officers should do their best to make as searching an inquiry as possible into the results of the working of the system and furnish as complete information as can be procured.

3. The Chief Commissioner accordingly desires that you will reply to the various points raised in this Circular, utilising all information in your office, all that you know from your own experience, and all that you can learn by consulting those interested as widely as possible, and after inspecting and thoroughly studying a certain number of gardens, not being less than 15 per cent. of the total number in the district or sub-division in your charge, which you may, on a consideration of all circumstances, select as being typical ones, fairly representing the rest. Among the gardens so selected should be one or two unhealthy gardens according to the size and importance of the district or sub-division; but, as these unhealthy gardens will bear an abnormally large proportion to the healthy gardens selected, the figures for them should in no case be compiled with the figures for the healthy gardens, but should be kept entirely separate. To ensure uniformity in the treatment of the figures by different officers in different districts, the Chief Commissioner desires that the special inspection should in all cases cover the period of one year previous to date of inspection, irrespective of the date on which the garden was last inspected.

4. I am to explain that, in the case of this report, the injunction laid down in General Department Circular, No. 20, dated the 27th March 1889, against making reports the vehicles for suggestions and proposals, is removed, the Chief Commissioner's object in addressing you now being to obtain not only full statements of facts and inferences, but also proposals for the improvement of the Act and rules, and for the administration of the system generally. In treating the subject in your report, you will follow the order in which the various heads and sub-heads are shown in this Circular; but you will not feel yourself bound to confine your report to the points expressly raised, if you have any observations

observations and suggestions to make on other points. It will no doubt occur to you that several matters of importance are not brought forward, or are insufficiently brought forward, in this Circular; but there are, I am to explain, many important matters with which, as full inquiry has already been made into them, and there is complete information on record in the Secretariat, it is unnecessary to trouble district officers. Should you, however, have any remarks to make on any points other than those referred to you, the Chief Commissioner will be glad to receive them.

5. As regards the form in which your report is to be prepared, I am to communicate the following instructions, which the Chief Commissioner desires should be very carefully followed:—

(1.) Under each head and sub-head, in the order in which they are treated in this Circular, you should give in detail the facts and figures obtained at your inspection of the specimen gardens selected for the inspection directed in paragraph 3, adding such comments and observations as may be necessary to explain them, and taking care to show separately the total results,—

(*a*) For ordinary gardens,

(*b*) For unhealthy gardens.

(2.) Having given these particulars, you should then, with reference to the head or sub-head under which they are given, proceed to consider how far they may be taken as applicable to the generality of gardens in your district or sub-division, and you should make such general observations on the subject, and give such general facts, explanations, and proposals as may suggest themselves to you from your own experience, from the results of your inquiries, and from the opinion of planters and others interested in the subject who have been consulted by you.

Under some of the heads into which the subject has been divided it will be unnecessary for you to enter into figures, and under others it may perhaps be impracticable to obtain them. The Chief Commissioner is obliged to leave a good deal to your discretion in this respect; but he expects that in all cases in which it is practicable you will endeavour to obtain and report detailed figures for the selected gardens. For the heads under which uniformity in the details of the figures to be reported has been considered essential, tabular statements have been prescribed, which you should carefully fill in.

6. I am especially to request that you will take due care to complete your inquiries in time to admit of your report being prepared and despatched so as to reach the Chief Commissioner's office before the 15th September at the latest. I am to point out that any delay in its submission will cause serious inconvenience to this office, and will interfere with the punctual execution of the Chief Commissioner's programme described in paragraph 2. The reports of sub-divisional officers should be submitted to the Deputy Commissioner, who will submit a general report for the whole district, distinguishing the total figures for each sub-division, and forwarding the sub-divisional officers' reports and statements with his own remarks thereon, together with his own report. In the Assam Valley districts the reports will be submitted through the Commissioner, who will add his own comments and suggestions.

7. Having given these general indications of the lines of inquiry, I am now to invite attention to the particular heads to which the Chief Commissioner desires your inquiries to be directed. The subject naturally falls into three parts:—

I. Labour supply—Recruitment and transit.

II. The legal status of the labourer—His contract and the incidents and consequences thereof.

III. The material condition of the labourer—Wages, health, vital statistics.

Labour Supply—Importation.

1. As you are doubtless aware, one of the objects with which Act I. of 1882 was passed was to bring about the following results:—

First.—To promote recruitment by garden-sardárs, as opposed to recruitment through contractors.

Secondly.—To encourage and in every way facilitate "free immigration," in the proper sense, and at the same time to secure that recruitment by garden-sardárs and contractors should be conducted under careful supervision.

These results, however, have not been attained. Contractors have avoided the restrictions intended by the Act, and, by omitting to register the coolies recruited by them in the district of recruitment, have brought them up as so-called free immigrants to Dhubri, or in the Surma Valley to the garden itself, and placed them under local contract there. This practice has led to many abuses, and complaints of abuses (to be noticed at greater length hereafter) in connection with the subject of recruitment, and to sanitary evils of a grave nature which have manifested themselves from time to time. A full consideration

of the entire system of recruitment is therefore a matter of the greatest importance, and, though there is necessarily much in it which falls beyond the experience of officers in Assam, the Chief Commissioner hopes that, by careful attention to the points referred for inquiry, and by fully consulting employers of labour, you will be able to obtain much valuable information.

9. *Recruitment and Importation of Labour.*—As regards the details of your inquiry under this head, you will first consider the general course of fluctuations from year to year in the importation into your district or sub-division of each class of immigrants, sardári, contractors, and non-Act, so far as can be ascertained from the Provincial and other reports in your office, and you will then state, as fully as you can learn them, the causes which have led to increases or diminutions in immigration generally and in immigration of each description from time to time.

10. Next, you will describe the various modes in which immigration is brought about in the case of your district or sub-division. On this point, I am to ask that you will obtain accurate statistics for the last three years for the selected gardens in your district or sub-division of—

(1) Coolies brought up under an Act I. contract executed previous to arrival on the garden, (*a*) through certificated garden-sardárs, (*b*) through contractors.

(2) Coolies sent up by contractors, but not under such a contract.

(3) Coolies brought up not under Act I. contract by uncertificated garden-sardárs.

(4) Coolies brought up without a contract by certificated garden-sardárs contrary to law. Probably you will find some cases of this description.

The results of your inquiries will be shown in Tabular Statement Form I. (statistics of recruitment) annexed to this Circular. The figures for all the gardens dealt with should be compiled together in one statement.

11. Further, you may find on inquiry that the sardári system is conducted in two modes, which it is important to distinguish. You may have, on the one hand, the pure sardári method of recruiting, under which the sardár himself collects from his own village or its neighbourhood all the coolies he brings down, receiving no aid from any one except from an agent in the recruiting district, who supplies him with funds, and possibly arranges for forwarding the coolies he collects, or you may have, on the other, a mongrel system under which the sardárs are sent up to the recruiting districts consigned to the care of a contractor, who engages that if they fail to complete their complement of coolies, he will make good the deficiency by *arkati* coolies. You will carefully ascertain to what extent the sardári systems with which you have to deal fall under the one or the other of these descriptions, and the Chief Commissioner will be glad to have your opinion as to the advantages and disadvantages of the latter form of sardári recruiting. *Prima-facie* it would seem objectionable, as tending to initiate the sardárs into all the abuses of the contractors' system, and as confounding two processes which it may be difficult to deal with unless they are kept distinct. It is, moreover, hard to believe that there is any real necessity for having recourse to it, as if the sardárs fail in completing their complement of coolies, the manager can always, even at the last moment, have contractors' coolies sent up.

12. You should next describe in very minute detail the *modus operandi* in the case of each of the systems of recruitment referred to in paragraph 10, and state, as far as you may have been able to ascertain them, the causes which have led to the adoption of one or the other of those systems.

There is one point in this connection on which the Chief Commissioner would desire to be informed. He has heard it said that what are commonly called *arkati* or contractors' coolies are not recruited for any particular garden, or even for any particular part of the Province, and that they are perfectly indifferent as to where they are sent. He would be glad to know whether such is the case, or, if not, to what extent such coolies exercise a choice in the matter, and at what stage they make their election.

13. The next point that will require your attention is the result of each of these modes of recruitment with reference to the stamp of coolies recruited, their nationality, adaptability to the change of climate, willingness and capacity for work, &c. In the event of your finding that there is a tendency, either generally or in respect of any particular mode of recruitment, towards increase in the importation of classes of coolies who are considered bad or ill-adapted to the climate of the Assam or Surma Valley, you will endeavour, so far as you are able at this distance from the areas of recruitment, to arrive at the causes of such increase. It may be that the labour supply is falling short in those recruiting districts from which the most desirable classes of coolies are got, or it may be that the pressure of competition for labourers in these districts during the recruiting season, which is confined to a few months in the year, makes it cheaper and more expeditious during those months to recruit from districts which are less sought after, and where the demand for labour is less, or perhaps the bad results may be the natural consequence of some defect in one or other of the different modes of recruitment adopted. In this connection you will further inquire and report what nationalities and castes of immigrants are considered good coolies, and what nationalities and castes are generally supposed to be unfit for the Assam climate

climate and garden work. In paragraph 15 of the Report of the Commission on the Labour District Emigration Act, dated the 20th January 1880, it is stated that "it is to Behar and the North-West* that the tea-planters must in future mainly look for their supply of labour: it is to Behar and the North-West that the Government must look for the working population to reclaim the wastes of its north-east frontier." If this be correct, and if it also is true, as it is now commonly believed to be, that natives of Behar and the North-Western Provinces are less adapted to the Assam climate than other classes of immigrants, it becomes a question whether special measures should not be devised for ensuring greater care in the selection of coolies of those classes, and possibly for their complete exclusion in localities shown to be peculiarly fatal to them. The statistics of immigration show that the number of immigrants who annually come from Behar and the North-Western Provinces has risen from 4,165 in 1881 to 7,496 in 1887; but from the fact that the proportion of women to men imported has in each year been considerably less among them than in the case of Chota Nagpur and Bengal coolies, the inference suggests itself that their recruitment has not up to the present been conducted on a proper or popular system, a smaller number of whole families being recruited, and a larger number of stray men, possibly of a bad stamp, who have been unable from physical incapacity or indolence to obtain a livelihood in their own country, and who on arrival at the gardens are thrown entirely on their own resources, and have no friends or relations to whom to look for assistance.

The Chief Commissioner understands that the North-Western Provinces or Behar coolies recruited for some gardens of the Chargola Valley in Sylhet form a striking exception in these respects, and he would be glad to know how this is to be accounted for.

14. The result of each of the above-mentioned modes of recruitment as regards the cost of importation should then be examined and compared, and the variations as far as possible explained. The Chief Commissioner expects to receive from all district officers complete statements (with details of items) showing the cost per adult labourer of importation under each mode and for each class of coolies,—"Junglies," North-Western Provinces coolies, and so on. You should also go fully into the cost of labour in previous years with a view to ascertain whether the cost has been increasing or decreasing of late; and if you find that the cost is increasing either generally or under any particular mode of recruitment, you are requested to say how far you attribute the increase to natural causes, such as scarcity of labour, increased competition, &c., and how far it is due to any peculiarity in the system of recruitment itself; and, having regard to the importance of a cheap immigrant rate both for the tea industry and the opening out of the province generally, you are requested to suggest any means of cheapening the cost that may occur to you.

15. The Chief Commissioner would also be obliged if you would supply him with information regarding the part played by the Tea Districts Labour Supply Association in the case of your district or sub-division, the proportion of gardens in the district or sub-division which belong to it, and the proportion of work done by it. In this connection I am to quote the following extract from a speech delivered by the President at the recent annual meeting of the Indian Tea Association at Calcutta, copy of which has been forwarded to the Chief Commissioner:

> "The Government of India are now considering whether some alteration in Act I. should not be made with the object of checking the abuses connected with the recruitment of coolies. What we want is, first, the prevention of abuses; second, more labour; third, cheaper recruiting. It is in that order that we ought to consider it, as I feel confident that no one here will put the second before the first. It may be said that Government ought to see to the first, but Government can only do it at the expense of both the second and the third; in fact, by almost stopping recruiting entirely. There is one way, however, which, I think, will overcome the difficulties far more effectually than any Acts or Gazettes full of rules, and that is, if all interested in recruiting of coolies formed themselves into an association, with a regularly organised staff, which would control the recruiting and forwarding agents, and outside the pale of which no coolies, whether under contract or as free recruited emigrants, would go up to the tea districts."

Assuming the practicability of forming such a body, and making the entire conduct of the recruiting over to it, under certain Governmental control, I am to ask how the idea would be received by the planting community in your district or sub-division, and what your own opinion is on the proposal, as also a modification of it which might be suggested under which only *arkati* or contractors recruiting should be placed in the hands of the Association, genuine sardári recruiting being left free.

16. *Forcible and Fraudulent Recruitment.*—In paragraph 3 of the Provincial Immigration Report for 1887 the extent to which the use of force or fraud to induce coolies to proceed to their destination is found to exist was referred to, and I am now to ask for further information on the point, first, from your own experience and the result of your inquiries as regards the use of force or fraud within Assam; and, secondly, as regards the use of force and fraud outside the Province from such facts as have come before you in your official capacity. You should prepare statements in the usual form of all the cases of forcible kidnapping and recruitment by fraudulent misrepresentation that have come before

* You should explain in all cases in which you speak of "Behar" or "North-West coolies" what exactly you mean by those phrases, as coolies from certain Behari districts are commonly classed as North-West coolies.

before you since your special attention was directed to the matter by Circular No. 38, dated the 17th August 1888, showing the nature of the complaint made in each case, and the results of the inquiry, so far as they are known to you. You should also state in this connection the extent to which women or young people resort to emigration to free themselves from their family ties. It is necessary to notice this, because it has at times been urged as an objection to the emigration system, and it will be well to refer to it in connection with kidnapping and recruitment by fraudulent misrepresentation, if only for the purpose of clearly distinguishing two matters which, though altogether different, are very apt to be confounded. The Chief Commissioner invites the fullest expressions opinion and proposals of remedies that suggest themselves to you in respect of abuses of this description, but he would suggest that, so far as the abuses which are alleged to have taken place in Bengal or elsewhere beyond the control of this Administration are concerned, you should base your remarks exclusively on matters that have come within your official cognisance.

17. *Medical Examination of Immigrants.*—The subject of the medical examination of intending immigrants is, at the present moment, assuming greater importance in view of the increasing number of "bad batches" that have recently been sent up, and go far to swell the mortality of the garden population in this province. In paragraph 9 of the Provincial Report for 1887 it is remarked that, even in cases where the law provides for the previous medical examination of the labourer as to his fitness to labour, this provision of the law is, possibly from motives of false economy, not taken advantage of in the majority of cases by managers. But, as in a large proportion of importations there is no legal provision at all on this point, the question arises whether the Act should not be amended in the direction either of insisting on a medical certificate of fitness to labour, as distinguished from fitness to travel, before the labourer is placed under contract, or of giving such employers as choose to avail themselves of them, facilities for securing the examination of intending immigrants by the civil surgeon or other competent medical officer previous to execution of contract. The existing provisions of the law on the subject are contained in Sections 30, 40, 47, 67, and 70 of the Act, and of Rule 4 of the Chief Commissioner's Rules, from which you will observe—

(1.) That in the case of labourers recruited by certificated sardárs, the employer may require, before a labourer is registered under Section 66, a medical certificate of his fitness to undertake the journey to, and to labour in the labour district to which he is to proceed.

(2.) That in all other cases (*i.e.*, those of contractors' and free immigrants) the registering officer is merely required to satisfy himself that the labourer is in a fit state of health to proceed to his destination.

The subject is fully discussed in paragraph 62 of the Provincial Report for 1882. Sir Charles Elliott at that time directed that the Civil Surgeon of Dhubri should give a liberal interpretation to Rule 4, and should, for the protection of the planter, conduct the medical examination with some regard for the immigrant's fitness to labour in Assam. This is now done; but the examination is necessarily of a very superficial character, and only the worst cases are rejected. Mr. Fitzpatrick has recently given permission to a thorough examination of immigrants being made by the Civil Surgeon of Dhubri in his private capacity in cases where the employers or agents desire it to be made; but, as this as well as the more superficial examination just referred to are arrangements entirely outside the Act, and based on no legislative authority, the importance of considering an amendment of the law on the subject is apparent.

18. The Chief Commissioner has, during his recent tour, heard complaints of persons rejected at Dhubri by the Civil Surgeon as unfit to labour being sent up as dependents, and even of their being tacked on, as dependents, to persons with whom they were in no way connected. These complaints have formed the subject of a separate inquiry, the reports of which have been received, and all that is necessary now is that you should keep the point before you at your inspection of the selected gardens, and state in your report how many cases of this description you actually meet with, distinguishing, of course, the cases where these medically-rejected persons were *bonâ fide* dependents accompanying relatives, with whom it was necessary to send them, from cases in which there were no such grounds of necessity. You should also state whether any of these "dependents" are, on arrival at the garden, put under Act I. or Act III. contracts.

19. *Proposal to make Registration in District of Recruitment Compulsory.*—As remarked in paragraph 8, the system of so-called free immigration, indirectly brought about by the Act, has led to certain mischievous consequences. In the first place, immense numbers of immigrants are massed together in Bengal and along the route to Assam without any sort of control over the arrangements made for their health and comfort. The very serious outbreak of cholera last year, involving, as it did, a lamentable sacrifice of human life, and a heavy pecuniary loss to suppliers and employers of labour, is sufficient to show the evil of this. Secondly, malpractices in recruitment have arisen, and numerous complaints, whether true or false, have been made of the forcible kidnapping of labourers and enticement by fraudulent misrepresentation, especially of single females. With a view

view to remove these evils, and to insure that proper sanitary arrangements are made along the route (which is impossible as long as the great mass of labourers travel as free immigrants), as well as that the labourer's willingness to contract is ascertained before he leaves his district of recruitment, the following proposals have been made :—

(1.) To insist upon the registration in the recruiting district under Section 32 of all emigrants other than those recruited by regularly-certificated garden-sardárs, for whom a special precedure is provided by the Act ;

(2.) After such registration, in the case of Assam Valley emigrants, to allow them to be forwarded to Dhubri to execute their contracts there; and,

(3.) In the case of Surma Valley emigrants, either to have the contracts executed at some place in Bengal, such as Goalundo, or else to allow the emigrants to proceed to the gardens as at present, and execute their contracts there.

As regards the means by which the proposed compulsory registration under Section 32 is to be enforced, the following methods have been suggested :—

(1.) A direct method, by imposing a penalty on any person forwarding an immigrant otherwise than as permitted.

(2.) An indirect method, by enacting that any person who goes to Assam otherwise than under the procedure prescribed, shall be incompetent to bind himself by a contract under Sections 111, 112 of the Act for a certain period—one year or two years—after his arrival in the Province.

20. I am to ask you to consider the above proposals in consultation with planters; and, in the case of the Surma Valley in particular, I am to request that their opinion should be as widely as possible ascertained as to whether the execution of the contract should be insisted on in Bengal, or the emigrant should be allowed after registration to proceed to the tea-estate, and be put under contract under Section 111 of the Act there, as at present.

21. *Proposal to exclude Dhubri from the operation of Section* 111.—Another proposal, and one in some sense the opposite of the foregoing, on which the Chief Commissioner would invite your opinion and the opinion of persons interested, has been made to the Government of India, viz., to exclude the Goálpára district from the operation of Section 111 of the Act, or so to amend that section that the labour contract would not be made until the arrival of the immigrant within the district to which it relates; in other words to introduce into the Assam Valley the state of things which at present prevails largely in the Surma Valley. The arguments which might be advanced in favour of deferring execution of the contract till the immigrant reaches the gardens are these :—first, that after arriving at the garden he would have a clearer idea of what was before him, and would be less likely to be imposed upon; and, secondly, that the cost of taking him up to the garden, being considerably in excess of the cost of taking him to Dhubri, would act as a deterrent to fraudulent recruitment. On the other hand, in considering this proposal, you will bear in mind the fact that the further an emigrant goes from his home the more helpless he becomes, and that if he should decline to contract after arrival on the garden, the further question would arise as to what was to become of him, and who was to pay his repatriation expenses. The experience of officers in the Surma Valley, where, as just stated, this system largely prevails, ought to be valuable here.

22. In connection with all the above proposals, so far as they apply to recruiting through contractors, you will doubtless remember that one important element to be considered is to what extent the employer has the whip-hand of the contractor, or *vice versâ*. The position seems to vary very much from one garden to another in this respect. A manager for one of the largest employers of labour in the Province informed the Chief Commissioner that their mode of checking the fraud and malpractices of the contractors was to postpone their final acceptance of a coolie till he had been a week on the garden, and then if they found he was physically unfit, or that there was any other objection to his being retained, to throw him back on the contractor's hands. Other managers, on the contrary, have said that they were not in a position to do this, that they must take what the contractors send them or the Calcutta agents procure for them, and that the garden must bear the loss on the bad bargains or else remain short of labour at a busy season.

The position in this respect will have such an important bearing on any amendment of the law that it should in all cases be carefully ascertained.

Transit of Immigrants in Assam.

23. The arrangements in connection with the transit of immigrants in the Assam Valley having already been thoroughly inquired into, and being kept under his close and constant supervision in every detail, the Chief Commissioner does not think it necessary to ask you for further information on this point. A proposal has, however, been brought to his notice, on which, as it would affect the Labour Transport Fund, it might be convenient now to ascertain the opinion of planters, viz., that in localities where the gardens of destination are far from the debarkation depôt or authorised landing-place, a system

rest-houses should be established under some sort of recognised control, which might, if so desired, be placed under the charge of managers interested in them, as halting-places for the coolies *en route*.

You are requested to report whether this is considered practicable or desirable, and whether there would be any objection to the charges being met from the Transport Fund.

24. As regards the transit arrangements in the Surma Valley, the question arises whether the steamer traffic should not, so far as immigrants are concerned, be placed under Government supervision, similar to that exercised on the Brahmaputra. Formerly, when the coolies travelled in small batches, chiefly in country boats, the necessity for such supervision did not exist; but, now that the accelerated steamer service is largely employed for this purpose, and the evil effects of overcrowding and want of proper arrangements have begun to show themselves, the necessity for the sanitary regulation of the immigrant traffic becomes obvious. The chief difficulty lies in the fact that the great mass of immigrants here are not, as on the Brahmaputra, labourers under contract, but free immigrants. The Deputy Commissioners of Sylhet and Cachar should submit such proposals as may occur to them for overcoming the difficulty and introducing rules similar to those applied to steamers on the Brahmaputra.

Local Labour Supply.

25. Under this head the Chief Commissioner desires full information regarding the classes of coolies, other than immigrants, who are employed on the gardens in your district or sub-division, the extent to which they are available for employment, the manner in which they are employed, the work done by them, and the rate of wages paid to them for each kind of work, as compared with the wages of the immigrant coolie. In giving this information you will deal with the different classes of coolies in three groups, according to the character of their engagement with the garden, thus:—

(1.) Coolies temporarily employed as daily labourers; such as Assamese villagers employed for occasional jobs, Nágas (in Siságar and Lakhimpur), &c.

(2.) Coolies employed for a season; such as bodies of Kacháris who migrate for work in the cold weather, returning home for the rains.

(3.) Coolies permanently employed; such as Kacháris, Gáros (in Nowgong), perhaps some Assamese villagers, Bengali settlers in the Assam Valley districts, and others who are taken on the permanent strength of the labour force of the garden.

Time-expired Immigrants.

26. In Revenue Department Circular No. 56, dated the 24th November 1888, you were addressed on the subject of the settlement of time-expired labourers, and your report in reply to that Circular will probably contain most of the information now required. You are, however, requested, with reference to this inquiry into the working of Act I. of 1882, briefly to give some idea as regards your district or sub-division on the following points:—

(1.) As to the proportion of immigrants who, on the expiry of their original term of contract, renew their contract on the same garden.

(2.) As to the proportion of time-expired immigrants who, having returned home after completion of their period of service, have of their own accord come back to the garden, and brought up their friends and relatives with them. Should you meet with any cases of this description in your inspection of the selected gardens you will give such details as you can obtain.

Contracts.

27. Under this head I am to request that you will describe fully all the circumstances which determine managers to dispense with contracts and to make contracts under Act I. and Act XIII. respectively, the periods for which such contracts are made, and the amount of the bonus paid in the case of each of the classes of labourers described in paragraphs 10 and 25, viz.:—

I.—Imported labourers—

(*a.*) Imported already under an Act I. contract.
(*b.*) Imported not under contract.

II.—Locally engaged labourers.

As regards labourers imported under contract, it will be sufficient for you to give particulars of the periods of their contracts, distinguishing the coolies recruited by sardárs from contractors' coolies, and explaining, so far as you are able, any marked difference between

between the periods of the contracts of the two classes. As regards labourers who are placed under contract on the garden, you should, with reference to each class of labourers, state the usual practice in your district or sub-division as to whether they are placed under Act I. or Act XIII. contracts, as to the considerations which lead managers to adopt the one or the other course, and as to the amount of bonus which each class receives under Act I. and Act XIII. Taking the permanent labour force of the garden, and excluding such labourers as are employed only for occasional work or for short periods, are there any labourers who may be called "free labourers" in the proper sense, *i.e.*, under civil contract not penally enforceable, in your district or sub-division? If so, you should state the approximate proportion.

28. With reference to time-expired Act I. immigrants who renew their contracts, you should give the same information, and in their case in particular the Chief Commissioner would wish to have an explanation of the various considerations which managers have in view in making use of Act I. or Act XIII. for the renewal of their contracts. Mr. Fitzpatrick has observed that in many gardens in which importation under Act I. is the regular practice, time-expired contracts are systematically renewed under Act XIII., while in other gardens, situated in so far as appears precisely the same circumstances, and in many instances in the immediate neighbourhood, they are systematically renewed under Act I. He would be glad to receive an explanation of this difference in procedure.

29. *Terms of the Contract under Act* I.—On this subject the first point to be considered is the period of the contract. As you are probably aware, the maximum period of contract under Act VII.(B.C) of 1873 was three years. This limit was raised to five years by Act I. of 1882, in accordance with the general demand of persons interested in the tea industry, with a view to recoup employers for the cost and risk of importing the labourer, and maintaining him during the period of his acclimatization in Assam; but, at the same time, to compensate the labourer for the bonus he would, ordinarily, have been able to obtain on his re-engagement, if the term were limited to three years, the rate of wages for the fourth and fifth year was raised. The Government of India, in their triennial report to Her Majesty's Secretary of State, justified the extension of the period, and pointed out that, so far as risk to life was concerned, the liability to disease and death was chiefly confined to the first two or three years of an immigrant's residence in the Province. These considerations, however, have not been sufficient to prevent objections being raised in many quarters against the labourer being permitted to bind himself by a penal contract for five years; and the question now arises as to whether this limit should be reduced.

30. In this connection the large preponderance of five years' contracts executed at Dhubri, as compared with the proportion of such contracts executed elsewhere, has, in particular, been unfavourably commented on. The suggestion has been made that labourers who are taken to Dhubri are helpless on arrival there, and being unable to pay their way back to their homes, are practically forced to contract for the maximum term; but, on the other hand, an explanation, at first sight at least plausible, has been offered, namely, that the employers who engage labourers through Dhubri insist on five years contracts, and that consequently none but labourers willing to contract for five years are forwarded to that place; but on closer examination it will be seen that that explanation does not take us to the bottom of the matter. In paragraph 21 of the Provincial Immigration Report for 1887 it is observed, "it is worthy of remark that in the case of contracts entered into in the recruiting districts for the Assam Valley, 56·3 per cent. were for three years, and 43·7 per cent. for five years, in the case of contracts entered into at Dhubri, 3·5 per cent. only were for three years, and no less than 96·5 per cent. were for five years;" and assuming the explanation in question to be the true one, the further question at once arises: Why should employers in the Assam Valley almost invariably insist on a five years' term when the contract is executed at Dhubri, while in the majority of cases when the contract is executed in the labour district they are satisfied with a shorter term?—The Chief Commissioner would be glad if any explanation of these results could be given; he would further be glad to have the figures for contracts executed by immigrants on first arrival in the Surma Valley, and if, as he believes to be the case, they are usually for periods short of five years, he would wish to show the cause of the difference between the two valleys in this respect.

31. The general question of the limit to the period of contract you should consider with reference to the extent to which free labour may be relied upon to supply the wants of gardens, the extent to which five years' contracts actually prevail, and generally with reference to all the circumstances of your district or sub-division. If the conclusion arrived at is that the higher maximum (of five years) is open to objection, it would then be necessary to consider to what extent its reduction would affect the working of gardens; and a most important element in considering this is the extent to which time-expired coolies renew their engagements. When, as is the case on many gardens, the coolies almost invariably renew, it would not apparently matter much to the manager whether the original contract was for five years with a wage of Rs. 12 per annum more for the last two, or whether it was for three years only, with a bonus of Rs 12 to be paid for each year's renewal.

 32. The

32. The provisions of the contract with reference to the supply of food-grains should next be examined. In the first place, as regards the price at which rice should be supplied, it has been reported from some districts that the fixed price of Rs. 3, which is the present contract rate, has been a fruitful source of dispute between the manager and the labourer. Managers, no doubt, lose when they are forced to purchase at over Rs. 3 and sell at Rs. 3; but again, at times when rice is procurable in the market at less than Rs. 3, they recoup their losses by supplying the coolies at the contract rate. Of course, it may be said that the coolies are not obliged to purchase from the manager; but on the other hand, it has been pointed out that the improvident habits of the coolies frequently leave them without means to purchase in the market, and they are forced to fall back on the manager for their supply of food; and, moreover, that in many gardens in the province the markets at which food-grains are procurable are not sufficiently close to the garden to enable coolies to purchase whenever they need a fresh supply without neglecting at least a part of their day's work and losing a part of their daily wage. A proposal has been made to amend this part of the contract by imposing on the employer the obligation to supply rice whenever required, at a fixed sum per maund in excess of the market price, provided that the highest price at which rice is to be supplied to the labourer should never exceed Rs. 3. The question is practically one as to whether on any considerable number of gardens the employer under the present law profits to an extent greater than is reasonably sufficient to cover his risks. Another question under this head is whether provision should not be made for other food-grains besides rice, such as *atta*. In the draft Bill which ultimately became Act I. of 1882 it was proposed, in view of the large majority of immigrants coming from Behar and the North-West Provinces, where rice is not the staple food-grain, to omit all reference to rice in the contract, and to give the Local Government power to make rules for the supply of such food-grains as were ordinarily used by different classes of immigrants. This proposal is embodied in Sections 124, 125 of the Act, but the supply of rice was considered of such special importance that it was thought necessary to provide for it also in the contract (*see* Section 9 of the Act and the form of contract annexed to the Act). Since the passing of the Act the number of immigrants from the provinces where rice is not the ordinary article of food has steadily increased (*see* paragraph 12 and Immigration Reports), and it is still a question whether the mortality among them, which is greater than among other nationalities of immigrants, may not have been affected by changes of diet, and whether accordingly it would not be well to provide facilities for immigrants from provinces in Upper India to adhere to their national diet. The Chief Commissioner would be glad to have your opinion as to the alterations which you think should be made on these points, either in the Act itself or in the form of contract, or in the Chief Commissioner's Rules under the Act (*see* Rule 137).

33. *Local Contracts under Section* 111.—In paragraph 22 of the Provincial Immigration Report for 1887, it was observed that Section 111 of the Act is still on its trial, and a question has been raised as to whether all contracts now executed under Section 111 might not be executed under Section 112, or at least whether some pressure might not be brought to bear to lead to more of these contracts being executed under Section 112 by allowing contracts under Section 111 only for one year. It has been suggested that inspectors might attend at certain central points in the neighbourhood of gardens, say once in two months, to admit of contracts being executed under Section 112. The Chief Commissioner would be glad of your opinion as to the practicability of this, and also on the alternative suggested by Sir Charles Elliott in 1885, viz., that the procedure under Section 112 should be the only procedure on gardens within 10 miles from a court.

34. The Chief Commissioner would further wish to be informed to what extent it is true, as the accused in the well-known "Gibbons' case" is stated in a recent memorial to the Government of India to have alleged in the course of his defence, that it is "the custom" and a "thing always done" to send on contracts under Section 111 to be registered, which, as a matter of fact, have never been executed by the coolies.

35. A minor point which suggests itself in connection with this section is whether the wording of the latter portion of it should not be modified so as to expressly authorise the verification or cancellation by the inspector in special cases on occasions other than that of his next visit to the estate. Such special cases would arise, *e.g.*, if a labourer showed sufficient cause at any other time for the cancellation of his contract, or if a manager before sending coolies out of the Province for recruiting work produced them before the inspector to have their contracts verified.

36. *Cancelment of Contracts.* — Under this head the following points have been raised:—

(1.) *Section* 142, *Redemption of Contracts.*—Whether the value of the unexpired term of the contract is not put too high, especially for the latter years of the period, and generally whether any modifications in the section are required. You will consider this in connection with the question of the period of contract, and bearing in mind the fact that the very large majority of three and five years' contracts are confined to cases of imported labourers.

(2.) Whether express provision should not be made for the cancelment of contracts in cases of established force or fraud in recruitment, *e.g.*, in instances where a conviction

viction is obtained against the sardár or contractor's recruiters, and, if so, to what officers this power should be given, and with what restrictions.

(3.) Whether cancelment by mutual consent should not be expressly provided for. There is nothing in the present Act to require such cancelment to be effected in the presence of the inspector or magistrate, and it is possible that in some cases contracts which ought to be dissolved under Section 122 are mutually dissolved without reference to the magistrate or inspector, and without the payment of the three months' wages prescribed under that section for repatriation expenses.

37. *Endorsements of Additional Periods on Contracts.*—(1.) *Sections* 121–170.—You should report how the provisions of these sections work in practice, whether monthly lists under Section 170 are frequently sent, and whether endorsement under either section are frequently made in your district or sub-division. You should further report, with regard to Section 170, whether absences for fractions of days are included in the monthly lists, how such fractions are worked out by the manager (*i.e.*, according to the fraction of the working time the labourer was actually absent, or the fraction of daily task unperformed), and whether such fractions are admitted by the inspector into the calculation of the total absentee period. With reference to the proposal to which allusion is made in paragraph 33 that the inspector should periodically attend at certain central points to attest the execution of contracts under Section 112, how would it work to have these endorsement matters decided by him then, or to appoint fixed dates at district or sub-divisional head-quarters for their decision, instead of deferring them to the uncertain date of the next inspection, which may not be till months after, and before which many of the contracts may have expired by efflux of time?

(2.) *Section* 182.—The Chief Commissioner has heard complaints from managers that no provision has been made in this section to compensate employers for the loss of labour caused by the imprisonment of labourers for offences other than offences punishable under Act I. of 1882. An expression of your opinion is invited as to whether you would recommend the endorsement, and, if so, subject to what limitation of time, on labour contracts of periods during which the labourer was absent from work owing to imprisonment for offences punishable under the Penal Code or other Acts. The matter of limitation has an important bearing on the point in issue, for it may be that the labourer is sentenced to imprisonment for a longer period, perhaps months or years longer, than the unexpired period of his contract. How would you propose dealing with such cases?

Act XIII. of 1859.

38. The proposal to repeal Act of XIII. of 1859, so far as labour districts are concerned, formed the subject of a separate inquiry in the cold weather of 1886-67, but was, under the orders of the Government of India, postponed for consideration in the course of this inquiry into the working of Act I. of 1882. It will not be necessary for you now to repeat the detailed inquiry which was then made, but you should in your inspection of the selected gardens, as far as possible, obtain the same information regarding Act XIII. coolies as in the case of Act I. coolies, so as to ascertain the exact position of the Act XIII. question at the present moment. There was no provision in the former Labour Act, VII. (B.C.) of 1873, for the execution of local labour contracts under the Act in labour districts, and such contracts had to be made under the ordinary law of the country. Act XIII. was consequently made use of for such contracts, though it is observed in the Statement of Objects and Reasons for the Bill, which subsequently became Act I. of 1882, that "its provisions were obviously never intended to meet such cases." But, as the present Act provides for the execution in the labour district of contracts under Sections 111, 112, by any native of India, whether immigrant or resident, the question has been raised whether Act XIII. should not be repealed.

39. The chief grounds on which the repeal of the Act is urged are briefly these:—

(1.) That it is one-sided in principle; that contracts under it need not be made in writing, nor registered, nor verified; that there is no fixed form of contract; and that, as a matter of fact, the contracts, when in a written form, are ordinarily so drawn up as to impose more onerous obligations on the labourer than would be permitted under Act I., while they impose no corresponding obligation on the employer beyond that of paying the daily wage for work done.

(2.) That it entitles the labourer to no protection or collateral advantages, such as result from the obligations imposed on the employer under Act I., as to house accommodation, sanitation, diet, medical comforts. Thus, if a garden is declared unfit for the residence of labourers under Section 129 or Section 132 of Act I., a labourer under Act XIII. contract would not be entitled to be released from his contract, though, no doubt, the courts would consider on the merits of each case how far the established unhealthiness of the garden was a reasonable excuse within the meaning of Section 2 of Act XIII. for the labourer's refusal to remain on it.

(3.) That it does not provide for the exercise by the manager of such discipline

and control as is necessary on a garden. On this subject a manager of long experience in Upper Assam writes as follows :—

> "Sections 123 to 133 do not apply to Act XIII. or free labourers, nor can they be punished under Section 178 for disregarding any sanitary rule. Yet their disregard may cause an epidemic. I think, generally speaking, all the purely sanitary sections of the Act should be made applicable to an estate, excluding (if necessary) natives of the labour district; otherwise the manager is legally powerless."

40. On the other hand, the following arguments, among others, were urged in favour of retaining the Act during the inquiry held in 1886-87 :—

(1.) That it has been in force and recognised for upwards of 20 years, and that the exclusion of tea-estates from its operation would result in a serious disturbance of the existing order of things.

(2.) That it is preferred to Act I. by many employers, and still more by many classes of coolies, who, owing to the common practice of placing only those coolies who are likely to prove troublesome under Act I., have come to regard that Act as of a more penal nature; and that in the case of certain classes of labourers living independently in villages outside tea-estates, an Act I. contract could not, under the circumstances in which they live, be entered into consistently with the terms of the contract, both as to the labourer's obligation to remain on the estate and the manager's obligation to comply with the rules regarding house accommodation, medical comforts, &c.

(3.) That, as a matter of fact, Act XIII. has not operated harshly; that prosecutions under the Act are few; that in most cases the labourer is simply ordered to return to the garden; and that sentences of imprisonment are extremely rare, considering the total number of labourers under this Act.

41. As regards certain proposals which have been made for amending Act XIII., so as to remove the objections to which, as applied to tea-gardens, it is at present open, the Chief Commissioner thinks it would be hardly worth while to spend any time on considering them. It is possible that having regard to the facts that the Act has come so widely into use and that it works, on the whole, fairly well, the Government would consent to let it stand on its present footing so long as the High Court does not hold it inapplicable; but looking to the whole history of this question, the Chief Commissioner is convinced that no proposal for amending the Act and setting it up on a firm basis as a second law of penal contract parallel to Act I. would, for a moment, be entertained.

Repatriation of Labourers.

42. Instructions as to the payment of expenses incurred in repatriating invalided labourers to their homes are contained in Circular No. 37, dated the 9th August 1884, and No. 53, dated the 21st November 1888, from which you will see that, as regards labourers under contract discharged under Section 122, the cost in excess of the three months' wages awarded under that section is met from the Deputy Commissioner's permanent advance, and that the entire cost of repatriating labourers who are not under contract and have no claim on any employer is met from the same source, and recovered by a Bill submitted to the Comptroller. Having regard to the number of invalided labourers who wander about as beggars, or find their way into the dispensaries of the Province, the necessity of returning them to their homes is obvious, but the propriety of paying the expenses of sending them to their homes from provincial funds is quite a different matter. You will see from Circular No. 53, dated the 9th August 1884, that the Government of India expressed themselves unable to sanction the Chief Commissioner's proposal to pay these charges from the Labour Transport Fund, on the ground that the application of the fund to such a purpose was not authorised by Section 192 of the Act, but that they concurred generally in the desirability of the proposal, and reserved the point for consideration when the Act came under revision. You are now requested to give your opinion—(1) whether the maximum limit of three months' wages in section 122 should not be raised so as to cover the full expenses of repatriation in all cases falling under that section; (2) whether the Labour Transport Fund should not be made available for the repatriation expenses of immigrants who are incapacitated for work, but whose case does not fall under Section 122.

43. As to the general working of this section (122) you should report whether the three months' wages are generally awarded, and whether they are paid in a lump sum to the labourer, or utilised in defraying his expenses home, and, in cases where the award of wages is not made, on the manager undertaking to allow the labourer whose contract has been cancelled to reside on the estate with his friends or relatives, whether any steps are taken by the inspector to see that the undertaking is carried out.

44. The circulars referred to above apply only to the repatriation of physically incapacitated labourers; but the further question arises whether arrangements should not be

be made in the Act for repatriating other classes of labourers in certain cases, as, for instance, where the use of force or fraud or some material irregularity in recruitment is established. You will consider this further in connection with the proposal explained in paragraph 21 of this letter, which, if adopted, might result in bringing into the Province many labourers, who, after arrival at the gardens to which they are sent, would be unwilling to enter into contracts, and for whom some arrangements would have to be made.

Desertions.

45. Under this head the causes of desertion, and the classes of labourers most given to desert, should be very fully discussed. Among the chief causes of desertion, as commonly assigned, are low wages, ill-health, the unhealthiness of the garden, the occurrence of epidemics, bad management, changes in the mode of management unfavourable to the labourer, private quarrels and intrigues, indolence, indebtedness, enticement, and the desire to get a bonus on another garden. To these the Chief Commissioner would be inclined to add, first, the mere wish for change, so common among natives taking service away from their homes, accompanied, perhaps, as in the case of the coolies who desert from the Surma Valley to the jute mills at Narainganj, by an idea that they can better themselves elsewhere; and, secondly, among new arrivals who commonly are the most ready to desert, a feeling of not finding themselves at home in the garden, or, discovering that their position is in some respects different from what, even in the absence of any tangible misrepresentation, they had come to imagine that it would be. Should you have any reason in your inspection of any of the selected gardens to suppose that the desertions are due to bad management, you should not be content with a mere statement of the cause in general terms, but should endeavour to get as full an account of the previous history of the deserters as you can obtain from an examination of the registers or other means. It should also be noticed in your report how far the complaints made by employers of the increase in late years in systematic enticement of labour are well-founded, and the classes of persons by whom you have reason to suppose that such enticement is carried on should be stated. As to the classes of labourers most given to desert, you will probably be able to obtain accurate particulars, which will further help you in arriving at the causes of desertion. You should classify them (1) according to their province of recruitment, North-West Provinces, Chota-Nagpore, Bengal, &c.; (2) according to their length of service on the estate; (3) according to their mode of recruitment, contractors' or sardári; (4) according to their condition on the garden, whether isolated men and women, or men and women with families and relatives on the garden, and generally according to such other modes of classification as may, under the special circumstances of each garden, suggest themselves to you. It is hopeless to expect that complete statistics of the causes of desertion can be obtained, but the results of your inquiry should be shown in the desertion statement (Form No. II.) annexed to this Circular.

46. In connection generally with the subject of desertion, you will naturally allude to the provisions of Section 172 of the Act, both from the employers' and the labourers' point of view, with special reference to the five-mile limit. Is the law as to arrest without warrant generally observed in your district or sub-division? Do you think it affords sufficient protection to the employer?

47. As regards the manner in which the period of absence from the garden owing to desertion should be dealt with, you should state your opinion as to whether the absentee period (that is, the period intervening between the labourer's desertion and his apprehension or return to the garden) should be endorseable under Section 182 as an addition to the original term of his contract, and, if so, whether the endorsement should be made subject to any limitation of time. In particular, should such endorsements be made in cases where the labourer is arrested after the original term of his contract has expired? I am further to ask you to state how a case like the following should be provided for: A labourer under an Act I. contract for one year at a garden, A, deserts after completing six months' service. He lives by independent means for one year after his desertion, and then enters into a two-years' Act I. contract at garden B; immediately after this he is arrested and prosecuted by the manager of A, who applies for the endorsement of the unserved period of six months.

Wages.

48. Under this heading you should first give information regarding the selected gardens in a tabular form similar to the first table in paragraph 7 of the Provincial Immigration Report for 1887, showing the average wages for your whole district or sub-division (healthy and unhealthy gardens being in this, as in all other cases, separately shown), based on the figures of the selected gardens for two months, one in the rains and the other

in the cold weather, but showing the wages of Act XIII. labourers separately from those of other non-Act coolies, thus:—

			Monthly Wages.	
			Average.	Highest.
Non-Act	Act I.	Men	—	—
		Women	—	—
	Act XIII.	Men	—	—
		Women	—	—
	Others	Men	—	—
		Women	—	—
		Children	—	—

49. In addition to this table of district or sub-divisional averages, you should give separate figures for each of the selected gardens, showing the following particulars:—

(*a*) The number of coolies of each class employed in each of the months taken.

(*b*) The average monthly wages for a month in the rains, including *ticca*, bonuses, hospital allowances, &c. (*see* paragraphs 2–4 of this office Circular No. 36, dated the 13th May 1889).

(*c*) The same for a month in the cold weather.

(*d*) The total aggregate of payments or credits taken into account in (*b*) and (*c*).

(*e*) The portion of that aggregate due to *ticca*.

(*f*) The highest amount of *ticca* earned by any coolie in a month.

You should then carefully examine the daily attendance register, and show for each of the two months (*see* the Circular just referred to),—

(*g*) The total number of *háziris* earnable if all coolies on the daily attendance register had been present, and done a full task every working day.

(*h*) The number of *háziris* altogether disallowed in consequence of—

(1.) Absence with leave.

(2.) Absence owing to desertion.

(3.) Absence otherwise without leave.

(4.) Absence owing to sickness.

(*i*) The number of fractions of *háziris* entered.

A form of statement (Wages Statement, Form No. III.) is annexed.

50. Having completed this statement, which you should be careful to make out for each garden before leaving it, as otherwise half the questions that ought to be asked will not occur to you till you are miles away; you should next proceed to obtain explanations of such of the figures as call for explanation under the directions conveyed in the Circular above referred to, making at least rough notes on the spot.

51. Having set down in your report all the information thus obtained regarding wages in the selected gardens, you will proceed to give such general information on the subject as you may possess or be able to obtain from previous reports, or otherwise, regarding the gardens of the district or sub-division generally, stating how far the selected gardens may be regarded as typical, and explaining any differences you may have observed in other gardens, with such further remarks as may help to illustrate the position of the wages question in the district or sub-division generally. It should be particularly observed throughout these inquiries, whether the wages of the non-Act or Act labourers are higher, and the causes of the difference should be ascertained and stated.

52. The matter of the collateral means of livelihood of the coolies should also be inquired into in this connection, both as showing the general condition of the garden coolie, and as bearing incidentally on the wages question, in so far as the other occupations of the coolies may lead them to absent themselves for days together from their work, or their profits from those occupations may make them less eager about earning wages. Under this heading it will be desirable to state, in as much detail as possible, the extent to which the coolies engage in cultivation on or off the garden, the extent to which they work for cultivators in the neighbourhood, the number of cattle and other live stock they keep, and whether they earn money thereby as, *e.g.*, by hiring out bullocks, as the Chief Commissioner found to be the case to a large extent in some gardens in Cachar.

53. It is spoken of in the Annual Provincial Report for 1884, paragraph 7, as "a statement frequently made" that "the large importation of labour in late years has tended

tended to overstock gardens with a labour force for which employment cannot always be found." Having regard to the very great difference in the demand for labour in the cold season and in the rains, the possibility that a coolie might not be able to get work from his employer in the cold weather was one of the first things that occurred to Mr. Fitzpatrick on his arrival in the Province; but he has not as yet been able to learn of any instance where this is found to be the case. As, however, it would be a manifest breach of the labour contract if any labourer desiring work were refused it at any season of the year, it is most important that this matter should be fully inquired into and reported on.

54. As you are aware, the question of the payment of wages for the weekly holiday, prescribed by Section 116 of the Act, has given rise to some discussion, and it is clear that, owing to the difficulty of making out exactly what the Act means, it will be necessary to amend the wording of this section. You need not trouble yourself about the proper construction of the law as it stands, but should state what precisely is the present practice in your district or sub-division, and what you consider, after consulting managers, would be the best way of framing the provision so as to avoid the difficulties and ambiguities that have arisen.

Tasks.

55. Under this heading you should not only treat the subject generally, but also go into it in detail for each of the selected gardens. You should state the amount of each sort of task, noticing variations from garden to garden, and from season to season, or according to circumstances, such as a fuller or weaker flush of leaf, or the fineness of the plucking. You should examine the task schedule-book prescribed by Section 115 of the Act, and see whether all variations in the task, according to season or otherwise, are duly recorded therein, as it is important that they should be. You should ascertain, moreover, how soon it is considered that a new arrival will have learnt his work sufficiently to perform a full task, and what (if any) arrangements are made to relax the task rules in favour of new arrivals. You should also notice if, owing to the opening out of new stretches of land or otherwise, there is an abnormally large proportion of severe work, jungle-cutting, hoeing, drain-making, and such like, to be done. You will, lastly, be particular to note (*see* this office Circular No. 40, dated the 21st May 1889) whether the garden is adequately manned.

The Chief Commissioner has seen it stated in a memorial presented last year to Government of India that "the work (meaning the severity of the task) has been considerably increased since the depression of the tea industry," and he desires special inquiry as to whether, and to what extent, that is the case.

56. If the inquiries you make under the head of wages lead you to suppose that any of the tasks are too heavy, or that there is something to the disadvantage of the coolie in the subordinate agency employed to measure the work, or in the mode of procedure generally, you should go very fully into the matter. (*See* this office Circular No. 36, dated the 13th May 1889.)

57. Assuming the tea-coolie's daily task to be fair and moderate, as it is believed in the generality of cases to be, you should state whether you consider, taking the whole year round, and having regard to the comparative constancy and regularity of the work, that the tea-coolie is a harder-worked man, or a man more exposed to the weather, than the ordinary cultivator in the neighbourhood, and, if so, should state to what extent you consider this to be the case. The Chief Commissioner anticipates the objection, that in this comparison the coolie is, certainly, so far as the Assam Valley is concerned, being contrasted with the peasantry which, perhaps, of all others in India earns a livelihood with the greatest ease; but, in the absence of a less-favoured class in the province, no other comparison can be made. Should your experience, however, extend to Central Bengal, Chota Nagpur, or Behar, the localities from which recruitments are ordinarily made, you will, no doubt, also compare the condition of the garden coolie with that of the small cultivator and landless labourer of those localities.

58. It has been brought to the Chief Commissioner's notice that in some labour districts it is the practice for the coolies in the cold weather to go out to work at 8 or 9 a.m., after their morning meal, and to continue at work till 4 or 5 p.m. This is contrary to Section 116 of the Act, which places a limit of six hours upon continuous work; but it is said that a break in the day would be against the interests of both the employer and the labourer, as some coolies would not be able to finish their task, and others might be tempted to absent themselves after the break. You are requested to report if this practice prevails in your district or sub-division, and if so, whether you would recommend an alteration of the law.

Food.

59. You should here state the descriptions and quantities of food a coolie is ordinarily able to obtain, and compare them with those which an ordinary cultivator in your district or sub-division enjoys, giving not only the main articles, such as rice and dál,

but also usual or occasional additions, such as fish, meat, milk, ghee. You will be able to learn something of these latter among other methods, by observing the articles, such as fish, poultry, pigs, &c., brought in for sale to the hâts and the demand for them among the coolies. Mr. Fitzpatrick has heard it said by several managers that the unhealthiness of North-Western Provinces coolies is in part due to their penurious habits, which lead them at times to deny themselves a sufficiency of wholesome food. He would be glad to know to what extent this is true of North-Western Provinces or any other class of coolies.

60. You should also report as to the extent to which the "mess" or "hotel" system has been introduced on the gardens in your district or sub-division, and how far it is found to answer in practice. What food is provided at the mess, and what can an adult man, an adult woman, and a child respectively, get fed for per diem there? By whom is the "hotel" managed? Does it actually pay its way, and who bears the loss and takes the profit of it? Are any coolies compelled by the rules of the garden to eat at the mess, or do you think that any class of coolies, *e.g.*, debilitated or convalescent coolies, should be so compelled?

Sickness and Mortality.

61. Having regard to the indifference coolies display about their health, the dislike they have to go to hospital, and the very large amount of liberty allowed them to absent themselves from work, it seems hopeless to attempt to procure any figures regarding sickness as distinguished from mortality which would be worth having. Any opinion, however, which the civil surgeon could form from a close examination of the coolies on the selected gardens, supplemented by his own previous knowledge, as to the health of the different classes of the coolies; new arrivals, old hands, North-Western Provinces coolies Chota Nagpur coolies, and Bengalis, children and adults, should be furnished, and there is one class of disease in regard to which the Chief Commissioner will expect actual figures from the civil surgeon for the selected gardens, viz., that of the coolies' anæmia, on which you were addressed in this office Circular No. 29, dated the 30th April 1889. The civil surgeon should state for each of these gardens the number of coolies whom he found suffering from this disease, the stage to which it had advanced at the time of his inspection, and the medical treatment, if any, to which the coolie had been subjected.

62. As regards mortality, whenever (as you would in the case of the selected gardens) you give figures, you should, in order to separate the effects of cholera, which is to a certain extent fitful in its variations (*see* end of paragraph 40 of the Provincial Report for 1887). give the totals and percentages, both including and excluding cholera. You should further not content yourself with going separately into the figures for Act and non-Act coolies, but should also endeavour to ascertain in further detail what classes of persons go to swell the mortality returns, and the causes of this in each case, distinguishing children from adults, immigrants of one or two years' standing from older immigrants, coolies whether imported free or under contract by contractors from coolies imported by garden-sardârs, whether certified or uncertified, and North-Western Provinces coolies from Chota Nagpur coolies and Bengal coolies. A form of statement (Deaths Statement Form No. IV.) is annexed, in which you should show separate figures for each of the selected gardens in the district or sub-division.

63. The civil surgeon, who should, if possible, accompany you to the selected gardens, and certainly to the unhealthy gardens, should endeavour, so far as it may be possible to do so, by questioning the native doctor, to form some rough estimate of the corrections which would have to be made in the causes of deaths shown by the latter in the mortality statements, owing to errors of diagnosis. Thus, *e.g.*, he might find, on questioning the native doctor, that there was reason to believe that a considerable number of the deaths which he had shown under the head indicated by mere symptoms were really deaths from anæmia, in which case he would note this in his report.

64. Both you and the civil surgeon, in inspecting the selected gardens, will, of course, be more than ordinarily particular in your inquiries as to the causes of any large amount of sickness and mortality, and report fully upon them. There are two points in this connection which the Chief Commissioner desires to have specially inquired into. First, excessive sickness or mortality on a garden has in many cases been ascribed to its having large expanses of newly-cleared jungle. It would be desirable to ascertain whether this theory is borne out by finding that such sickness or mortality diminishes after the land has been for some time opened up, and, if so, of what descriptions of jungle it holds good, whether only of tree jungle or also of ordinary grass jungle. The second point on which the Chief Commissioner desires special information is as to what classes of imported labourers have to submit to changes, not only of climate, but also of diet, and what are the changes in their diet they have had to submit to, in particular whether they have been previously accustomed to live on rice.

65. With reference to the statements that are sometimes made as the manner in which mothers neglect their very young children on tea-gardens, death statistics should, in the case of the selected gardens, be collected for children of each year up to three, and the causes of death should be carefully noted. In this connection you should also inquire fully

fully and carefully how children of these ages are looked after while their mothers are at work, and how children under a year old are nourished. The Chief Commissioner would wish you to consider the following picture of child life on a tea-garden, and to say, after a full inquiry into the facts, to what extent, as regards its various particulars, it represents the state of things prevailing on the tea-gardens in your district or sub-division:—

"The conditions of child life on a tea-garden are altogether so unfavourable that the wonder is how so many children succeed in passing childhood's stage. A coolie woman gets a variable amount of leave for her confinement. After that, if the infant is not strangled at birth, she must either take it out with her to her work, or leave it behind, with no one to look after it. In the former case, tied to its mother's back or left in the nearest drain, it is exposed to extremes of heat and cold, to wind and to rain; in the latter, the child gets half starved, and so paves its way to a death from some bowel-disorder, or succeeds in cutting short its career by a fall or a roll into the open fire. So alive are coolie women to these facts that, to avoid the trouble of bringing up their children under these circumstances, abortion is frequently resorted to, and dais who produce it often make their business a very profitable one. These women live as a rule in the nearest bázár or basti, to be beyond the reach of the garden manager."*

You should further state in this connection the extent (if any) to which the suggestion made in paragraph 12, page 41, of the Immigration Report for 1883 as to regular inspections of children has been acted on.

66. The cases of the unhealthy gardens included in your selected list would, of course, be reported on in greater detail by yourself and the civil surgeon, a full history of them from a sanitary point of view being given.

67. It was observed at the end of paragraph 34 of the last Annual Provincial Report that, though it is reasonable to expect cholera to be undiscriminating in its attacks, a larger proportion of Act than of non-Act coolies seem to die of it. This, when it is the case, should, if possible, be explained.

68. The sanitary condition of the tea gardens, the position of the lines, house accommodation, drainage, water-supply, hospital and medical arrangements, &c., you will naturally describe in dealing with the question of sickness and mortality; and, in the case of selected gardens, it will be the most convenient course to arrange the information under these heads in the order of Questions 1 to 12, and 36 to 40 of the ordinary form of inspection report.

Vital Statistics.

69. Under this head, in addition to the deaths statement required by paragraph 62, you are requested to furnish a return, showing in one statement the total population and death-rate of all the selected gardens in the form annexed (Population and Death-Rate of selected Gardens, Form No. V.), separate statements being, of course, submitted for healthy and unhealthy gardens.

70. The low birth-rate on tea-gardens has frequently been remarked on, and the statistics available in the Immigration Reports would seem to show that the birth-rate has been diminishing, whether the rate on women only or on the whole population, male and female, of tea-gardens is taken. How far the decrease may be due to one or other of the following causes (among others) remains to be yet ascertained; first, to many of the women being at first, at the starting of immigration on a larger scale, of a child-bearing age and gradually getting beyond it; secondly, to a gradual increase in the number of the immigrants who live outside the lines, either on the grant or having settled down in villages outside the tea estate, in the case of whom the managers might inadvertently omit to record births, though, as they form part of the labour force, their deaths would naturally be noticed and recorded; thirdly, to general negligence in the preparation of the returns. You should carefully investigate the causes of this decrease in the birth-rate, and should obtain actual figures in the case of each class of coolies, showing the percentage of births (1) to total population, (2) to the total number of adult females on the selected gardens in your district or sub-division. Having obtained these percentages, you should compare them, in particular as regards the percentage of births on adult females, with the percentages prevailing in this Province generally (*i.e.*, outside tea estates), or in other provinces, so far as you can ascertain them from the Census and Sanitary Reports. That the percentage of births, taking the total population of a tea-garden, should be low as compared with the general percentages of districts and villages is only natural, considering the large preponderance of male over female (*see* Immigration Reports) coolies on tea-gardens; but it is possible that the results of further and careful inquiry will show that the proportion of births to adult female coolies is not absolutely low on tea estates. The total figures for each sub-division, as obtained in your inquiry on this point, should be shown in the form of statement annexed (Population and Birth-rate Statement, Form VI.).

Relations between Employers and Labourers.

71. Observations on the relations generally between employers and labourers have been recorded from year to year in the Immigration Reports; but the Chief Commissioner would be glad if you would now review the whole position, speaking not only as to the existing state of things, but also as to any changes for the better or the worse that may have taken place from time to time. In particular he would wish to know to

what extent it is true that, as stated in a memorial recently presented to the Government of India, "the cane, it is to be feared, is too frequently employed in many of the tea-gardens of Assam," and that coolies on many tea-gardens are placed in illegal confinement by the managers.

MISCELLANEOUS.

72. Under this heading you will notice all difficulties that have arisen in the working of the Act, all points on which you would propose amendments, and generally all matters which do not fall under one or other of the heads previously given on which you may have any observations or suggestions to make. Among others, the following points may suggest themselves to you as calling for remark:—

(1.) *Inspections.*—As to the difficulties experienced by inspectors in inspecting tea-estates, and whether the Act sufficiently provides for inspectors' powers for overcoming them.

(2.) *Registers and Returns.*—Are any modifications needed either in the form in which the returns and registers are kept, or in the rules under which they are kept? Are the optional registers, as a general rule, kept up? In cases where they are not kept up, is the information required to be shown in them sufficiently shown in the other registers?

(3.) *Sections* 134–137. As to the general working of these sections.

(4.) *Section* 151. With reference to the bringing up by certified garden-sardárs of unregistered immigrants (*vide* paragraph 17 of Provincial Immigration Report for 1887).

(5.) *Section* 152. The Committee of the Indian Tea Association have pointed out the following objections to this section, (*a*) that there is no provision against the sardár making over the labourers engaged by him to other persons than those expressly mentioned; (*b*) that under the terms of Section 65 a labourer is not held to be engaged till he is registered, and that the disposal of an unregistered recruit to a third person would be no offence; (*c*) that in any case the penalty of Rs. 10 fine is too slight.

(6.) Some managers have complained to the Chief Commissioner that the Act does not empower the employer to compel the labourer to reside in the lines, and that it is accordingly difficult at times to get labourers to come punctually to work, with the further result that the danger of infection in time of cholera is increased.

73. In addition to the particular points to which your attention is above directed, you will, of course, have to consider the larger question raised by the Secretary of State, whether in some parts, if not throughout the Province, legislation of this sort could not be altogether dispensed with. There is at this moment before the Chief Commissioner a proposal from Mr. Campbell, Officiating Commissioner of the Assam Valley Districts, for its repeal in the Kámrúp district. There, however, the question is a comparatively small one. The really important suggestion put forward in this direction has been for the repeal of the Act in Sylhet. The idea of repealing it there was taken up by the higher authorities in the year 1887 on a remark incidentally made by Mr. Ward, the Officiating Chief Commissioner; but though there are undoubtedly gardens in that district which could dispense with it, the further inquiries made by Mr. Ward, and the inquiries made by Mr. Fitzpatrick in the course of the two tours he has made in Sylhet, tend to show that on a considerable proportion of the gardens it is still required as well from the planter's point of view as from the point of view of the administration.

Officers inquiring into this point should be careful not to accept too readily the bare statement of a manager, that he would be glad to see the Act repealed. Many managers consider that the irksomeness of certain provisions of the Act more than counterbalances the hold it gives them over their labourers, and they accordingly declare themselves in favour of its repeal: but it will commonly be found on questioning them further, that they do not mean that they could do without a penal labour Act altogether, but that they prefer to rely on Act XIII., which many of them hope they might succeed in getting strengthened in certain respects, and this, of course, altogether alters the position.

Another caution the Chief Commissioner desires to give in this connection is one against too hastily assuming that all the labourers one finds permanently working on a garden without contracts stand towards their employer in a footing entirely independent of the Act. Some managers, whom the Chief Commissioner has met, have informed him that they often deem it enough to put one member of a family under contract, that being sufficient to deter the others from lightly throwing up their employment.

74. In conclusion, I am to say that if it should occur to you on perusing this circular that any points have been omitted on which it would be desirable to have inquiry made in other districts as well as your own, the Chief Commissioner will feel obliged by your letting him know, so that he may consider whether other Deputy Commissioners should not be addressed on the matter.

I have, &c.
(signed) *F. C. Daukes,*
Officiating Secretary to the Chief Commissioner of Assam.

SPECIAL INSPECTION OF SELECTED GARDENS.

STATISTICS OF RECRUITMENT.—FORM I.

District *Sub-division.*

Name of Sub-division.	Name of Garden.	Labour Population of Gardens on 1st January 1889.						Total Number of Immigrants, including Children, Imported in 1886, 1887, 1888.	Number of Adult Immigrants Imported in 1886, 1887, 1888.					
		Act.		Non-Act.		Children.	TOTAL.		Under Act-I. Contract.		Not under Contract.			TOTAL.
		Male.	Female.	Male.	Female.				Through Contractors.	By Certificated Garden-Sardárs.	Through Contractors.	By Uncertificated Garden-Sardárs.	By Certificated Garden-Sardárs.	
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.
	TOTALS - - -													

SPECIAL INSPECTION OF SELECTED GARDENS.

DESERTION STATEMENT.—FORM II.

District *Sub-Division.*

Name of Sub-division.	Name of Garden.	Number of Persons who Deserted during the Period of Twelve Months previous to Date of Special Inspection Classified.																								Chief Cause of Desertion.
		According to their Contract.					According to their Nationality.									According to their Mode of Recruitment.							According to their length of Residence in the Province.							
																Immigrants.				Non-Immigrants, and others.										
		Act I.		Act XIII.		TOTAL.	Bengal.		Chota Nagpur.		Behar, North-Western Provinces, and Oudh.		Others.		TOTAL.	Imported through Garden-Sardárs.		Imported through Contractors.				TOTAL.	Immigrants of less than One Years' standing.		Immigrants of One Year, but less than Two Years' standing.		Immigrants of more than Two Years' standing, and others.		TOTAL.	
		M.	F.	M.	F.		M.	F.	M.	F.	M.	F.	M.	F.		M.	F.	M.	F.	M.	F.		M.	F.	M.	F.	M.	F.		
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.	17.	18.	19.	20.	21.	22.	23.	24.	25.	26.	27.	28.	29.	30.	
	TOTALS - - -																													

N.B.—The totals of columns 7, 16, 23, and 30 should correspond. "Immigrant" includes also "free" immigrant.

SPECIAL INSPECTION OF SELECTED GARDENS.

WAGES STATEMENT.—FORM III.

District. *Sub-division.* *Garden.*

CLASS OF COOLIE.	Number of Persons Employed		Total Wages Payments, including *Ticca*, Proportion of Bonuses, &c.			Portion of Total (Column 6) Payable for *Ticca*.	Highest Monthly *Ticca*		Total Number of *Haziris* Earnable		Number of *Haziris* altogether Disallowed on Account of								Number of Fractions of *Haziris* Entered	
											In (Rains).				In (Cold Weather).					
	In (Rains).	In (Cold Weather).	In (Rains).	In (Cold Weather).	Total of both Months.		In (Rains).	In (Cold Weather).	In (Rains).	In (Cold Weather).	Absence with Leave.	Desertion.	Absence without Leave.	Sickness.	Absence with Leave.	Desertion.	Absence without Leave.	Sickness.	In (Rains).	In (Cold Weather).
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.	17.	18.	19.	20.	21.
Act I. - - - Men -																				
Act I. - - - Women -																				
Non-Act — Act XIII. Men -																				
Non-Act — Act XIII. Women -																				
Non-Act — Others - Men -																				
Non-Act — Others - Women -																				
Non-Act — Others - Children																				
TOTALS - - -																				
TOTAL - - -																				

SPECIAL INSPECTION OF SELECTED GARDENS.

DEATHS STATEMENT.—FORM IV.

District. *Sub-division.*

Name of Sub-Division.	NAMES OF GARDENS.	Average Population of Garden.	Number of Deaths during the Twelve Months previous to Date of Special Inspection, Classified according to																														Per-centage of Deaths (excluding Cholera) to Average Population of Garden.	Per-centage of Deaths (excluding Cholera) to Average Population.
			Nationality.								Mode of Recruitment.				Length of Residence in the Province.				Age.						Causes of Death.											
			Bengal.		North Western Provinces and Behar.		Chota Nagpur.		Others.		Immigrants Recruited by		Non-Immigrants and Others.		Immigrants of Less than One Year's Standing.		Immigrants of One Year's but Less than Two Years' Standing.		Others.		Children.				Adults.		Cholera.		Other Diseases, &c.								
											Gardensdárs.	Contractors.									Under One Year.	1 to 2.	2 to 3.	3 to 16.					Dysentery.	Diarrhœa.	Fevers.	Dropsy.	Anæmia.	Other Causes.	Total (excluding Cholera).	Total (including Cholera).		
			M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.	M.	F.		
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	14.	15.	16.	17.	18.	19.	20.	21.	22.	23.	24.	25.	26.	27.	28.	29.	30.	31.	32.	33.	34.	35.	36.	37.	38.	39.	40.	41.	42.	43.	44.	45.	46.	47.	48.	49.	50.	51.	52.	53.	54.	55.	56.
TOTALS - - -																																															

N.B.—The [illegible], 37, and 55 should correspond. Immigrants include also free immigrants. The average population in Column 3 should be obtained in the manner indicated in foot note to Form I.

SPECIAL INSPECTION OF SELECTED GARDENS,

POPULATION AND DEATH RATE STATEMENT.—FORM V.

District. *Sub-division.*

DESCRIPTION OF COOLIES. 1.			Number on Date of Inspection. 2.	Number on Date Twelve Months previous to Date of Inspection. 3.	Average Strength. 4.	Number of Deaths during the Twelve Months previous to Date of Inspection. 5.	Per-centage of Deaths to Average Strength. 6.	REMARKS. 7.
Act I.		Men						
		Women						
		TOTAL						
Non-Act	Under Act XIII. Contract	Men						
		Women						
		TOTAL						
	Free Labourers and Dependents (Adults)	Men						
		Women						
		TOTAL						
	Children	Children over two years of age and under 16						
		Children under two years of age						
		TOTAL						
	GRAND TOTAL							

INSTRUCTIONS.

In filling up Column 3, if the number employed on the date precisely twelve months before the inspection cannot be ascertained, the figures shown in the nearest half-yearly returns should be taken, Act XIII. coolies being separated from other non-Act coolies, and children under two from children over two by the inspecting officer by examining the registers and questioning the manager and garden staff.

Under the head "Free labourers and dependents" will be shown all adults except those under Act I. contract or Act XIII. contract.

SPECIAL INSPECTION OF SELECTED GARDENS.

POPULATION AND BIRTH-RATE STATEMENT.—FORM VI.

District. *Sub-division.*

NATIONALITY OF COOLIES. 1.	Number on Date of Inspection. 2.	Number on Date Twelve Months previous to Date of Inspection. 3.	Average Strength. 4.	Average Strength of Adult Women. 5.	Number of Births during the Twelve Months previous to Date of Inspection. 6.	Per-centage of Births to Average Strength of Total Population (Column 4). 7.	Per-centage of Births to Average Strength of Adult Women (Column 5). 8.	REMARKS. 9.
Bengal — Men								
Bengal — Women								
Bengal — Children								
Bengal — TOTAL								
Choto Nagpur (including Sonthalia) — Men								
Choto Nagpur (including Sonthalia) — Women								
Choto Nagpur (including Sonthalia) — Children								
Choto Nagpur (including Sonthalia) — TOTAL								
Behar, North-Western Provinces, and Oudh — Men								
Behar, North-Western Provinces, and Oudh — Women								
Behar, North-Western Provinces, and Oudh — Children								
Behar, North-Western Provinces, and Oudh — TOTAL								
Others, *i.e.*, Assam, Nepal, Madras, Bombay, &c. — Men								
Others, *i.e.*, Assam, Nepal, Madras, Bombay, &c. — Women								
Others, *i.e.*, Assam, Nepal, Madras, Bombay, &c. — Children								
Others, *i.e.*, Assam, Nepal, Madras, Bombay, &c. — TOTAL								
GRAND TOTAL								

N.B.—Coolies under 16 will be taken as children, and 16 and over 16 as adults. Column 4 will be filled in according to the instructions given under Form I.

No. 246 J.D., dated Darjeeling, the 18th October 1888.

From *J. W. Edgar*, Esq., C.S.I., Chief Secretary to the Government of Bengal, Judicial Department, to the Secretary of the Government of India.

I AM directed to state that several complaints having been made to this Government by the tea planters in the Dooars regarding the difficulties experienced by them in recruiting free labour for their gardens from Chota Nagpore, owing to the malpractices of professional recruiters from Assam and Cachar, and their agents and employés, the Commissioner of Chota Nagpore was directed to inquire and report into the matter towards the close of last year. The reports submitted by the Commissioner showed that these complaints were founded on fact, and the Lieutenant Governor accordingly decided on deputing a police officer for the purpose of specially inquiring into charges of fraud and kidnapping connected with the recruiting of coolies for the tea districts. Mr. F. H. Tucker, an Assistant Superintendent of Police, was selected for the duty, and was placed on deputation for a period of six months on an allowance equal to one-fifth of his salary.

2. I am to forward, for the information of the Government of India, copies of two reports,* submitted by Mr. Tucker, on the subject, together with a copy of a memorandum† from the Commissioner of Rajshahye, and of its enclosure from the superintendent of the Dooars Tea Company, Limited, asking that steps may be taken by Government to protect coolies proceeding to the gardens in the Dooars, *en route* from Chota Nagpore.

* Memorandum from the Inspector General of Police, No. 7971, dated the 2nd July 1888, and accompaniment.
Letter from the Commissioner of Chota, Nagpore, No. 606 J., dated the 27th September 1888, and enclosure.
† No. 271 Ret., dated the 22nd September 1888.

3. The Lieutenant Governor has now under consideration proposals which it is hoped will remove the source of the evils, the existence of which has been so clearly brought to light in the course of Mr. Tucker's inquiry; but these proposals will, if adopted, require the sanction of legislation, and some considerable time must elapse before effect can be given to them. Meanwhile, it is absolutely necessary to check the malpractices of the recruiting agents during next season, and Sir Steuart Bayley therefore proposes to retain Mr. Tucker on special duty till after the end of April 1889. The term of his deputation under the orders of this Government expired at the beginning of September last, and the Lieutenant Governor would now solicit the sanction of His Excellency the Governor General in Council to his retention for a further period of eight months on the substantive and acting pay to which he may be entitled in his grade, and to the grant to him in addition of a special allowance of 100 rupees per mensem.

4. The favour of a very early reply is requested.

Enclosures of No. 246 J.D., of 18th October 1888.

REPORT on the Subject of Abuses connected with the Emigration of COOLIES to the *Dooars*.

No. 7971, dated Fort William, the 2nd July 1888.

Memo. by *J. C. Veasey*, Esq., Inspector-General of Police, L. P.

FORWARDED to the Chief Secretary to the Government of Bengal for information.

No. 6—3–S, dated Ranchi, the 25th June 1888.

From *J. H. Tucker*, Esq., Assistant District Superintendent of Police, on special duty, to the Personal Assistant to the Inspector-General of Police.

(Through Commissioner.)

I HAVE the honour to acknowledge receipt of your demi-official, dated 20th June, forwarding copy of a telegram from the Government of Bengal to the Inspector-General of Police, Lower Provinces, asking for a preliminary report of the nature, extent, and causes of the abuses connected with the free emigration of coolies to the Dooars, and, in reply, to submit the following report:—

I find that for years large bodies of men, women, and children, chiefly relatives and intimate friends, residents of North Lohardugga, Palamow, and Hazaribagh, have left their homes in the early part of every year, each body under the leadership of a garden sardar well known to them, and who has been deputed by a manager of some garden to collect coolies to work in the Dooars or Darjeeling Terai. When at the gardens these coolies work directly under their sardars, who get a daily or monthly allowance from the garden for every head they produce for labour, and, at the same time, are allowed to draw the pay of their gang, and distribute it according to the muster rolls they prepare, and which are duly checked by the manager of the garden, or his assistant daily in parade. The coolies are under no agreement, and are therefore at liberty to leave the gardens whenever they please, and return home. As a rule, they leave at the close of the working season, at least a good many of them, which is about September or October, and come home for a few months to see their old people and lands, and emigrate again at the commencement of the working season.

The service is a pleasing one, and consequently draws any number of labourers. For the past two years or so, these gangs of coolies have been intercepted *en route* through Gya, Hazaribagh, and Ranchi by "arkatis" or (recruiters) for free labour for Assam, who have managed, by false representations, personations, inducements and force, to abduct these gangs, or as many of the individuals as they could get hold of, and handed them over to purchasers in the case of "arkatis" working independently, or to agents employing them. In some cases the "arkatis" have taken the coolies, *viâ* Naihati and Goalundo, direct to the gardens in Cachar, and disposed of them there. The Dooar and Terai planters have represented that losing their old recognised coolies in this manner is a great loss to them, and affects greatly the working of their gardens; and at the same time say that the abuse has caused such a scare that their other sardars, who were told to go and get coolies to recoup their losses, refuse to move, as they fear they will be treated as their comrades were, and at the same time have no protection now, for the permits granted them by managers, duly endorsed by District Officers, are so much waste paper.

However, from my personal experience on visiting some of these gardens in April last, I must say that I cannot help thinking that the planters rather exaggerate their hardships and grievances; and it was pretty evident that there was no lack of labour for these Dooar and Terai gardens. The whole of the sympathy should go towards the poor unfortunate coolies who have been abducted.

Even supposing that they had succumbed to the false inducements held out by the Assam "arkatis" when once landed in Assam, and finding themselves clapped under five years' agreements, the deceit played upon them then comes home to them. Being tied down as they are is what they were never accustomed to, or bargained for; and they feel it very much, for it means to them being cut off from their homes and old people, and in many instances wives and families for years.

As far as my experience goes, I know that 99 per cent. of these unfortunate coolies, who have been found up in Assam and Cachar, and who have been examined by the District Officer up there, at my request, strongly protest against the treatment, stating at the same time that they were brought up by deceit and force, and beg to be sent back home or to their old gardens. It is harder of course on such men and women who were taken forcibly with their friends. From the five cases of abduction that have recently been

been investigated and decided in Hazaribagh, and four others of Gya and one of Ranigunj, that are now under strict inquiry, the following appears to be the *modus operandi* of the "arkatis":—

In Hazaribagh, a Mr. Lawton, an Eurasian of very doubtful character, engaged a body of some eight or ten up-countrymen as peons, and took up his position in the route generally taken by Dooar and Terai coolies through that district, and built himself a depôt at Bugodah, which was like a small jail with an eight-foot wall all round, and small rooms inside with doors and padlocks. He, as a rule, had scouts out, who brought him news of the approach of a gang of coolies. This gang was at once marked down, and during the night Lawton and his men came down on the camps of the coolies, which generally are made under some trees off the road-side, and by false representations, personations, and threats forced the coolies to go to his place. When once there he had them confined, with their personal belongings, and replacing them from his own stores. He then had false agreements made out inside the depôt in favour of each coolie, and then carted the coolies stealthily during the night across country, halting during the day in out-of-the-way places, until he got them to a railway station. The coolies were then clapped into trucks and rushed down to Calcutta, where they were handed over to a contractor, who, as soon as he could, sold them, and they were as hastily sent off to Dhubri, and eventually drafted off to various gardens under false names, &c., to Assam and Cachar.

In one instance a gang of 30 men, women, and children were rushed down to Goalundo direct *viâ* Naihati, and then put into steamers and country boats in the custody of his peons, and landed in Cachar, and made over to a garden, thus keeping clear of Dhubri, where registration goes on, and leaving no trace. Fortunately this case has been detected after a great deal of trouble, and is now pending before the Sessions Court. The coolies have all been repatriated by the Deputy Commissioner of Cachar.

Three other cases of a somewhat similar nature have also been detected against this same individual, for which he was sentenced to an aggregate term of 11 months' rigorous imprisonment, and fined besides.

This accused managed to make away with two batches of Dooar coolies, one of which I have found; the other I have not, but hope to. In Gya I find that a Baboo, who is a sort of sub-agent of another well-to-do Baboo in Calcutta, who is a coolie contractor, had a body of some 30 or 40 "arkatis," up-country men (so far the statements of the coolies are to be believed). These "arkatis" were planted on the route taken by coolies through that district, and a depôt planted conveniently. In January last they managed to intercept no less than four batches of Terai and Dooar coolies, and made off with them; rushed them down to Calcutta, where they were sold to various agents and managers of gardens on the look out for coolies, and sent to Dhubri, and from there drafted off to various gardens under false names, agreements, &c., the result being that I have had the greatest difficulty in tracing these coolies. I have, however, by means of some of those who escaped, found a large number of them in the Sibsagar district in various gardens, and had them all examined. They one and all corroborate the complaints, but unfortunately are not in a position to identify the accused. However, when brought face to face with them I daresay they will, and for this purpose I have asked for a certain number to be sent down to me to Calcutta, where I will begin my inquiries, and work up to Gya. It was only about a week ago that I got to know where some of these coolies were.

The "arkatis" in Gya seem to be a very formidable body, and I am in hopes of bringing them to justice.

In most of these Gya cases the "arkatis" actually accompanied the coolies to Dhubri, for the purpose, so I am told, to keep them in check, and prevent them from informing.

One would naturally suppose that such highhandedness could never prevail, and be unknown to the district officials, without some collusion on the part of the sardars and coolies. However, the sardars and coolies that have been up before me as complainants most emphatically deny any connivance. All state that nothing but severe threats, assaults, and the gross manner in which their women were treated, and threatened to be still more severely treated, should the men turn at all hostile, made them succumb to the "arkatis," and at the same time prevented them from bringing the abuse at once before officers of the district. This, however, from my inquiries, I cannot entirely believe, and feel that there has been collusion on the part of sardars who no doubt received some consideration from the "arkatis," who could well afford to pay a good deal, considering that they get on an average Rs. 25 per head. I must say that the "Kols," a poor and semi-civilized race, are easily duped.

In the Ranigunj case I find that opposition bands of "arkatis" exist, and therefore there has been less oppression, and the three or four gangs who were intercepted got off. The case I have in hand is one in which the gang was separated, and no less than four recruiters got hold of them, if the complainant's story is true. I am at present trying to find the coolies.

The complaints made to me show that this year (*i.e.*, in January, February, and March) from *Gya* 204 Terai coolies were abducted and 113 Dooar coolies, all sent to Assam. From *Hazaribagh* there were 59 Dooar coolies only, and from *Ranigunj* 16 likewise sent to Assam and Cachar.

These three districts are the only ones in which this wholesale abduction has taken place. Last year, however, I am told Ranchi was in it too. I have been told of one attempt at abduction, in the Monghyr district last February; the sardar, however, got off

with his men, and had very little trouble. He told me he was not able to bring the matter home to any one, and so I did not take up the case.

Three routes have, as a rule, been adopted by Dooar and Terai coolies, viz., through *Gya*, which North Lohardugga and Palamow then take, then as to Sahibgunj on the Ganges across to Purneah to Julpigoree; Assam through *Hazaribagh* to Giridi, which the Hazaribagh men and sometimes Ranchi men take and go to Sahibgunj, and Purneah on to Julpigoore.

The third through Ranchi down to Ranigunj and then across. Why these different routes are taken by men who really, one may say, come from the same parts of the Chota Nagpore is only accounted for by the coolies, who tell me that they generally go by the route they have always been accustomed to take, and which they know well, their ultimate destination being Julpigoree. I do not see why *one* route should not be adopted by *all*. It should be a safeguard from future malpractices, and could be looked after, and I see no reason why the middle route, viz., through Hazaribagh, should not be adopted and looked after by the interested parties. This I know could easily be adopted. I attach a statement showing in detail the cases in connection with the Dooar and Terai coolies that have come before me for inquiry.

As to the cause of these abuses, I cannot but attribute it to the large and ever-increasing demand for free labour in Assam and Cachar, the enormously high prices paid for coolies varying from Rs. 80 to Rs. 120 a head, and run according to scale; for instance, an "arkati" can get Rs. 25 a head for every able adult, male or female, and the man who purchases from him can get as much as Rs. 60 from the contractors, who, on their account, get Rs. 80 to Rs. 120, and the scope that Section 7 of the Act gives.

The whole business of free emigration has become a most lucrative trade, and any one can enter and share the large profits; consequently the country is overrun with "arkatis," who can roam about the whole place without fear of molestation on the part even of the district officials; and the large batches of free emigrants to the Dooars and Terai, travelling, one may say, on their own account, naturally were an easy prey to them, and they went for them.

A number of "arkatis" now work on their own account, while others are employed by agents, who arm them with, to say the least, extraordinary permits. I herewith forward a sample. I have reason to believe that those said "arkatis" are anything but good men. For instance, the man on whom I found this sample of permit is a notorious bad character borne on the books of the police, who suddenly disappeared, and was not heard of or seen till he was caught in a kidnapping case at Giridi. I do not think such men should be employed or even tolerated as "arkatis." I dare say there are many of this stamp roaming about the country who make a very good living too.

I must say some of the firms in Calcutta, who are agents for gardens in the Dooars and Cachar, and purchase coolies in Calcutta for the latter gardens, can hardly be ignorant of the fact that some of these very coolies belong to the Dooars, and of the abuses that exist in connection with them. Such firms could render much assistance in preventing the abuses if they would but refuse to buy coolies from persons suspected of malpractices.

LIST of Cases of Abduction of Dooar and Terai Coolies as reported having occurred this Year, 1888.

Number.	Name of District and Garden.	Names of Sirdars who recruited Coolies.	Number of Coolies recruited.	Number of Coolies said to have been Abducted.	Where Abducted.	Where taken to after Abduction for disposal by "Arkatis."	Where eventually found.	Number of Coolies that have been found repatriated.	Number of Coolies who escaped *en route* after Abduction.	Number of Coolies who escaped from Gardens in Assam and Cachar.	REMARKS.
	JULPIGOREE:										
1	Rangamatti	Mungloo	52	53, including sardar.	Gya	Calcutta	Typhook, Assam			1, Mungloo Sardar	Case under inquiry.
–	Bamandanga	Chattoo	31	31	ditto	Not found yet	Not found yet		1, Chatto	nil	ditto.
–	Ditto	Charwa	30	31	ditto	Calcutta	Typhook, Assam		Charwa	1, Sanaji	ditto.
–	Dangwajhar	Kungloo	30	30	Hazaribagh	Cachar	Kaspore, Cachar	21	1, Kungloo	9 (not found yet)	Case pending before Sessions Court, sections 341, 342, 365, 379.
–	Garden not known	Khalia	16	16	Ranigunj	Calcutta	Not found yet		1, Khalia		Under inquiry.
	DARJEELING DISTRICT:										
–	Central Terai Garden	Kajsel	132	133, including sardar.	Gya	Calcutta	Jorehat, Assam	None	11 found at home	nil	ditto.
–	Ditto ditto	Dunkat Kisen	71	70	ditto	Not found	Not found	ditto	2, Dunkar and his wife, rejected at Dhubri.		ditto.

N.B.—Besides these cases, there were three others in Hazaribagh, in which Dooar and Terai were restrained, but got off, with the exception of 29. These were inquired into and detected, and accused, Lawton, convicted. One case of Monghyr (not inquired into), and one at Ranigunj, not inquired into, as no proof could be obtained; and one at Ranchi, inquired into and convicted, an attempt case.

Ranchi, 25 June 1888.

J. H. Tucker,
Assistant District Superintendent of Police, on special duty.

No. .

LICENSE to Recruit Free Emigrants.

UNDER the provisions of the India Government Resolution, paragraph 3 of the 27th January 1882, published in the Supplement to the "India Gazette," dated the 28th idem, and republished in the Supplement to the "Calcutta Gazette" of the 15th March 1882, I hereby authorise_____ to engage and forward all labourers who may wish to proceed to any of the Tea Gardens in Assam, Cachar, and Sylhet, independently of the Emigration Act.

DESCRIPTION of Recruiter.

NAME.	Father's Name.	Caste.	Age.	Sex.	Zillah.	Pergunnah.	Village.	Descriptive Marks.

This license will remain in force for one year from date.

A. P. Banerji, Manager,
for *Alexander Caw*, Contractor and Agent.

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No. 606J, dated Chota Nagpore, the 27th September 1888.

From *J. A. Hopkins*, Esq., C.S., Officiating Commissioner of the Chota Nagpore Division, to the Chief Secretary to the Government of Bengal.

IN forwarding Mr. Tucker's report on the abuses connected with the inland emigration, for inquiry into which he was specially deputed, I venture to make the following remarks with some diffidence, for my experience in this division is small, and the subject is, as far as free emigration is concerned, quite new to me.

2. It would appear, from a perusal of the cases reported by Mr. Tucker, that the licensed systems of recruiting have almost disappeared; a so-called system of free emigration has taken their place. Under this system the chief abuses are noticeable:—

(1) In the collection of emigrants;

(2) In their transit to the labour districts;

(3) In the manner in which they are guarded and lodged in transit;

(4) In the system, traffic, or trade, which has arisen.

3. The deceit and fraud practised on the inhabitants to induce them to emigrate, I think, may be left to remedy itself. There is already a tendency, which is noticed by Mr. Tucker, on the part of the villagers to protect themselves. Any interference in this respect would strike at the root of free emigration, and would probably do more mischief than good.

4. But I think in their transit to the labour districts, a great deal might be done to protect emigrants, such as the selection of compulsory routes and the control of lodging-houses or depôts as they are called. Gangs of coolies proceeding in charge of garden sirdars or local agents' peons should be directed to follow specified routes, and their halting places and lodging-houses should be open to inspection Minors and single women should be liable to be questioned, and coolies under the influence of intoxicating drugs and liquor, should be liable to detention.

5. The

5. The manner in which free emigrants are guarded in transit, and confined when they bivouac for the night, deprives the system of all the benefits intended by the Legislature; but I think the evils would be considerably palliated by a system of selected routes and halting places.

The system which has arisen of trafficing and trading in free emigrants, by which both employers of labour and the coolies themselves are considerable losers, is far more difficult to deal with. There can be no doubt that the chances of such trade arising were unforeseen. No such trade takes place with reference to the Darjeeling and Dooars tea labour; or if it does, it is small and unimportant. In the case of labour for Assam, &c, from three to five middlemen seem to derive profit from free labour. This in itself is an abuse of the system; but the worst of it is that it leads to every kind of fraud and crime by which this unlawful, or rather unrecognised traffic, may be kept up. It is clear the authorities cannot interfere with a trade which is carried on with the consent of both the parties most interested. No system of registration would be effectual in preventing abuses. As far as the proprietors and employers of labour are concerned, they ought to be able to protect themselves. With reference to the coolies, it is another matter; they are ignorant and incapable of protecting themselves after they have got into the hands of the coolie agents, and I think that, without interfering with free emigration, Government might interfere to protect all emigrants proceeding to Assam, &c., under advances for expenses, and under challans by local agents.

No. 105E, dated Ranchi, the 29th September 1888.

From *F. Harrington Tucker*, Esq., Officiating District Superintendent of Police, on special duty, to the Commissioner of the Chota Nagpore Division.

UNDER instructions from the Chief Secretary to the Government of Bengal, and with reference to Government letter, No. 1221J, dated 24th March 1888, to your address, I have the honour to submit the following report on the inquiries into cases of fraud, abduction, and enticement of Dooars, Terai, and other free emigrants of Cachar, made by me since March last.

Below I give a tabular statement showing in detail the nature and results of all the cases I have had to deal with. I have arranged these cases under two headings:—

1st.—Those concerning only Dooars and Terai coolies.

2nd.—Those appertaining to other coolies.

STATEMENT of Cases of Abduction, Kidnapping, and Enticement of Coolies (Free Emigrants) from Chota Nagpore and adjoining Districts to Assam Districts.

District in which Offence took place.	No.	Name and Particulars of Complainant.	Name and Particulars of Accused.	Class and Substance of Complaints.	Result of Inquiry.	Final Result.
HAZARIBAGH—DOOARS AND TERAI CASES.	1	Tenion Oraon - - - - - -	Mr. Lawton, unlicensed agent, and Edoo and Saligram, *arkatis* of Bogodar, in Hazaribagh.	Complainant, with 40 men, women, and children, were proceeding to a garden in the Terai to work. One night, *en route*, when they were encamped near Bogodar, in Hazaribagh, some of Mr. Lawton's men, Saligram, and another, came to them and inquired where they were bound for. When told, the accused went away. Later on that night Mr. Lawton, accompanied by his men, came to the coolies and tried to force them to go to Bogodar, under the pretence to have their names registered. The coolies refused; whereupon Mr. Lawton directed four of his men to look after the coolies, and to bring them to him in the morning. He then returned to Bogodar. The *arkatis* the next morning tried to force the coolies to Bogodar, and ill-used some of them. The coolies whereupon fled into the jungles, leaving their pots and pans and food, and made off to Hazaribagh, where Tenion complained to the Deputy Commissioner.	The case was fully established against Mr. Lawton and his *arkatis*, Edoo Khan, Saligram, and others; and Mr. Lawton, the only accused who could be arrested, was sent up for trial under Sections 147 and 323 (rioting and assault). The *arkatis* had absconded.	Mr. Lawton was convicted under Sections 147 and 323, Indian Penal Code, and sentenced to two months' rigorous imprisonment and fine Rs. 25.
	2	Kungloo Oraon, sirdar of Dangnajhar Tea Estate, Dooars.	Mr. Lawton and his *arkatis* - -	The complainant was proceeding to his garden in the Dooars last January with 30 men, women, and children to work as free emigrants. When encamped near Bogodar, *en route* through Hazaribagh, Saligram, an *arkati* and *munshi* of Mr. Lawton's, came up and demanded the license under which they were travelling. The complainant showed his permit, granted by his manager. Siligram then went away. Some time after, about dusk, in the evening, Mr. Lawton and some six or seven of his men came down on them and, representing himself to be a police officer, forced them to go to Bogodar to have a list made out. On arrival at Bogodar, Kungloo and another were taken into the depôt, and soon after the remainder of the coolies were regularly driven in. When once in they were locked up in the enclosure. Mr. Lawton forced them to give up their money, food, &c. He then had a list prepared and agreements, to which he forced some to attach their marks; at least, to touch his pen, after which he put marks on. These agreements were attested by three of his men. The coolies were kept confined in this depôt for 11 days, and fed by Mr. Lawton. On the 11th night the coolies, with the exception of Kungloo sirdar, were put into four bullock carts, and, under escort of five or six *arkatis* (peons) of Mr. Lawton, were sent across country to Burrakur. Kungloo was still kept confined in the depôt. He, however, managed to escape the following night, and went off to Burrakur, where he saw his coolies again. He then went to Calcutta, paying his fare from the proceeds of a blanket he sold. In Calcutta he had a couple of friends, to whom he narrated his story, and from whom he borrowed his fare to Julpigoree. On arrival at his garden, he reported matters to his manager, who brought it to the notice of Government, and the matter was taken up.	After some time, the abducted coolies were found in the Kaspore garden in Cachar, where they had been taken by Saligram and other *arkatis* of Mr. Lawton, and sold to the manager. The coolies were taken from Burrakur by train to Goalundo, from whence they were sent off in boats to Kaspore direct. Mr. Lawton and his *arkatis* were found guilty under Sections 384 (extortion), 379 (theft), and 344 (wrongful confinement for 10 or more days), and 170 (personating a public servant), and sent up for trial. Mr. Lawton was arrested in Calcutta, but his *arkatis* had absconded.	The Deputy Commissioner of Hazaribagh tried the case, and committed Mr. Lawton, under Sections 384, 379, and 344 to the Court of Sessions, which court, as Mr. Lawton claimed to be tried as a British-born European subject, committed the case to the High Court of Calcutta for trial, where the case is now pending.
	3	Genoa Oraon, sirdar of Naingtance Tea Garden, Dooars.	Mr. Lawton and his *arkatis* - -	This sirdar was proceeding last January to his garden, with 24 men, women, and children. When near Bogodar, in Hazaribagh district, the accused intercepted them, and by force and threats made them enter his depôt, where they were locked up. On the third day the complainant managed to escape, and went and reported the case to the deputy commissioner, who ordered an inquiry at once. The accused, on learning that Genoa had escaped, immediately released the other coolies.	The case was clearly proved against Mr. Lawton and his gang, and in March they were challaned under Sections 343 (wrongful confinement for three days), 341 (wrongful confinement), and 170 (personation). Mr. Lawton was the only accused who could be arrested, the *arkatis* having hidden themselves.	Mr. Lawton was found guilty by the deputy magistrate of Hazaribagh, and on the 30th April sentenced to six months' rigorous imprisonment, under Sections 342 and 343.

GIRIDIH SUB-DIVISION OF HAZARIBAGH.	4	Ledwa Oraon, sirdar of Bamundanga Garden, Dooars.	Chit Bahal, unlicensed local agent, and his *arkatis* Nanko, Bandho, Mayet, Budhan, and Chit Lal.	Complainant and 62 men, women, and children, were on their way to the Dooars last February. When near Giridih, they were intercepted by a gang of *arkatis*, and forcibly confined in a dépôt belonging to Chit Bahal, a local agent, working for a Mr. Bennetz, contractor, of Ranigunge. During the night complainant and another sirdar managed to escape by going through a drain and gave information, but too late to recover the rest of his coolies. The coolies were supposed to have gone to Balliapara garden in Assam, but were not found there. Mr. Bennetz is said to have sent them to Dhubri, but no trace could be got of them there even.	The case was fully established against the accused, and they were sent up to the sub-divisional officer of Giridih for trial under Sections 365 (abduction) and 368, Indian Penal Code (wrongfully concealing a kidnapped person), and he committed them to the Court of Sessions.	Chit Bahal Sing was acquitted for want of evidence; Nanko Budhan and Mayet, *arkatis*, were found guilty and sentenced to two years' rigorous imprisonment each, under Sections 379 (theft), 342 (wrongful confinement), and 170 (personation). Bandho and Chit Lal sentenced to one year's rigorous imprisonment each, under Sections 342 and 170, by the Court of Sessions last April.
GYA - - - - - - - -	5	Mungloo and Charwa Oraons, sirdars of Rangamatti and Bamundanga Tea Gardens in Dooars.	Baboo Kristo Nath Mitter, an unlicensed local agent, and his *arkatis* Golab Sing and Dowlut Sing, &c.	These two sirdars were proceeding through Gya last December, with 52 men, women, and children, to work on their gardens. When near Gya, the accused intercepted them, and by force and ill-treatment compelled them to enter the depôt, in which they were kept confined for two days; after which they were taken down to Calcutta, where they were made over to a Mr. Trose, son of Mr. M. Mackertich, a licensed contractor, who sold them to Messrs. Begg, Dunlop, & Co., and had them sent to Dhubri, where they were, under compulsion, made to sign agreements to work in Assam. The coolies were then sent off to the Tejphook Garden. Charwa Oraon, one complainant, managed to jump out of the train near Lakiserai when *en route* to Calcutta; also a coolie, and these went at once to the garden and reported matters to their manager, and where I recorded their complaints. Mungloo, the other complainant, after some time managed to escape from the garden, and was thus able to complain to me.	After some time the abducted coolies were found in the Tejphook Garden, and some 10 of them were examined in June last. Their statements corroborated those made previously by the complainants. I had them sent down to me, but owing to want of funds, &c., which I afterwards obtained from Government, these witnesses did not arrive until the 4th September. I then proceeded to Gya with them and the complainants, and made full inquiries, which resulted in the arrest of two *arkatis* and warrant for Kristo Baboo hiding in Calcutta. Wrongful confinement was clearly proved against the accused.	This case is now pending submission of final Form A. by the District Superintendent of Police, Gya, to whom it was made over by me to punish judicially the other day, I have to remark that there was great difficulty in getting the witnesses down from Assam. They did not arrive till the 4th September. *N.B.*—Since heard that the case has been sent up for trial under Section 342 (wrongful confinement).
	6	Jetu Oraon, sirdar of Central Teria Tea Garden, Darjeeling.	Baboo Kristo Nath Mitter, unlicensed sub-agent, and his *arkatis*, Golab Dowlut Sing and others.	This sirdar along with three other sirdars of the Central Teria Tea Garden were proceeding through Gya in December last, with 132 men, women, and children to work as free emigrants near Gya; they were met by the accused, who, after persuations to go with them to be sent as coolies to Assam, failed, used them badly, and forced them into the depôt, where they were confined for two days, and then sent off to Calcutta, with the exception of 11, who managed to escape. In Calcutta, they were given over to Mr. Trose, who sold them there and then to a Mr. Hert, manager of Cinnamara Garden in Assam, and were sent to Dhubri, under escourt of the accused under whose influence and those of the Dhubri depôt they were registered, and signed agreements. The complainant, after a stay of a month or so in this garden, managed to escape and preferred his complaint before me at Sukna Teria, in April.	The inquiries in this case were similar to those in case No. 5, Mungloo's and Charwa's. The abducted coolies' statements were first taken in Sibsagor; they were then sent down to me, but did not arrive until the 4th September. I then took all up to Gya, where the case was well established, and two *arkatis* arrested.	This case likewise was recently made over to the District Superintendent of Police of Gya to arrest Kristo Baboo, who was in Calcutta, and submit final Form A. to magistrate for trial. *N.B.*—Since heard that this case has been sent up for trial under Section 342 Indian Penal Code (wrongful confinement). *Remarks.*—In this case, as well as No. 5, unfortunately the coolies could not name the accused. It was only by parading some of the *arkatis* that could be got at that the present accused were discovered, the coolies having identified them.
	7	Dunkerkesan, sirdar of the Central Terai, Tea Estate.	Chutan Mia, sub-agent (unlicensed), Baboo Lal, and *arkatis* names, unknown.	This sirdar was proceeding through Gya with 71 men, women, and children to work in his garden in December last. He and his men were intercepted by the accused and forcibly kept under restraint for some days, and were moved about from place to place, until they arrived at a railway station supposed to be Gya. They were then put into the train, and under escourt of five or six *arkatis* were taken to Calcutta and kept locked up in Baboo Hira Lal Mookerjee's depôt, this Baboo being a contractor of coolies, and were eventually sent to Dhubri, where, under pressure of the *arkatis* and Baboo Hira Lal's peons in charge of the depôt at Dhubri, they were registered, and signed agreements to serve in Assam. At Dhubri, they, complainant and his wife, were rejected, and so they got off and went to their gardens, where I recorded their complaints.	On inquiry and after some time, I found the coolies had been drafted to Melhi and Teta Damara Gardens, former in Nowgong and latter in Lakhimpore, Assam. Thirty-five of the coolies are now in Teta Damara and 17 in Nelhi. I had some of these coolies examined, and on finding they corroborated the complaint, have asked the various Deputy Commissioners to send them down to me as soon as they arrive. They are to go to Gya to the District Superintendent of Police who will finish the case.	Still under inquiry; the chief witnesses from Assam are awaited.

STATEMENT of Cases of Abduction, Kidnapping, and Enticement of Coolies (Free Emigrants) from Chota Nagpore and adjoining Districts to Assam Districts—*continued*.

District in which Offence took place.	No.	Name and Particulars of Complainant.	Name and Particulars or Accused.	Class and Substance of Complaints.	Result of Inquiry.	Final Result.
GYA—*continued*	8	Bhowla and Jamna, sirdars of Ballabaria Tea Gardens in Julpigoree.	Baboo Nitai Sankar, sirdar, and others, names unknown, of Hashah, village sub-division Nawahad of Gya.	These sirdars were proceeding through Gya, in November last, with 46 men, women, and children, when near Hasnah in Nowadah, sub-division of Gya, the accused and various *arkatis* intercepted them, and by threats, assaults, &c., compelled them to go with them to some railway station, where they were put into the train and sent off to Calcutta, where they were kept in a place belonging to Nitai Baboo, and from whence they were taken to Dhubri, passed through the registration office, and entered into agreements; all under pressure, without an alternative, and sent up to Singloo Tea Garden in Sibsager. The complainants served in this garden for a time and then induced the manager to allow them leave to go to Chota Nagpore to bring some more coolies. They were allowed to go, but instead of going to Chota Nagpore, at once went off to their old gardens, and reported facts to their manager, who sent them to Ranchi to complain; this they did in December.	The Joint-Magistrate of Ranchi first recorded the complaints, and wrote to the Deputy Commissioner of Sibsagor for particulars. In July the Deputy Commissioner of Sibsagor replied that 10 of the abducted coolies were at last found in Singloo Garden. The papers were then made over to me. The Deputy Commissioner of Sibsagar was at once written to by me to examine some of these coolies and to try and get at the others. These coolies were not passed through Dhubri, but taken up direct to the garden by the accused, or men belonging to them, which makes it all the more difficult to fathom and bring the case to an issue.	Case is pending now with me, and will now be made over to the District Superintendent of Police, Gya, to finish.
	9	Bhaga Oraon	Ulfat Hossein, Sankar Kabar, Palat Kabar, *arkatis* of Gya.	The complainant and a number of men, women, and children were proceeding through Nowadah, in Gya, *en route* to Darjeeling Terai, to work in a tea garden, where they were intercepted by the accused, who, with the assistance of some village chowkidars, forced the coolies into a depôt and kept them confined there for three or four days. The attack on the coolies was noticed by a road overseer, who brought it to the notice of the sub-deputy collector, who, with the police, came upon the *arkatis* and discovered the coolies confined in a depôt. The coolies all protested against the treatment, and a case was at once instituted against the accused.	The accused were found guilty of wrongful confinement under Section 342, Indian Penal Code, and were sent up for trial before the Joint Magistrate of Nowadah.	The three accused were found guilty under Section 342, Indian Penal Code (wrongful confinement), and sentenced to one year's rigorous imprisonment each, and fined Rs. 200, by the Joint Magistrate of Nowahad. *Remarks.*—A very clear case indeed of the manner in which such Dooars and Terai coolies are abducted by *arkatis* and sub-agents.
	10	Chuttoo Oraon, sirdar of Bamundanga,	Unknown	This sirdar was proceeding through Gya with 31 men, women, and children last January, and somewhere near Gya he and his men were intercepted by some *arkatis* whose names he does not know, and were taken to a place in which they were confined. He, however, managed to escape, and went to his garden, but has never heard of his coolies, and does not know where they are; he is trying to find them.	I at once wrote to the Deputy Commissioner of Dhubri to ascertain if he could give me any clue, but he could not, and since then my endeavours to find the coolies in various gardens have failed; however, the inquiries will continue.	This case will be made over to the District Superintendent of Police, Gya, along with the complainant, who perhaps will be able to identify some of the *arkatis* who have been got at by the District Superintendent of Police, lately in connection with other cases made over to him recently.
PURULIA	11	Koka Oraon sirdar of Ghatia Gardens, Dooars,	Unknown; supposed to be two constables.	This sirdar was proceeding through Purulia with 16 coolies last August; he and his men were stopped by a couple of men on the highway and told to return as the route was closed. They returned and soon after went away home. Their not turning up at the garden caused some uneasiness, and I got a telegram stating they had been abducted. The complainant, however, finally confessed that his intimation to the agent was false. His coolies, when stoppted in Purulia, got alarmed, and bolted back to their homes, and he was afraid to go back to his garden without them, and so spread a false report.	From inquiries made in Purulia by me, I found that at the time cholera was raging there, and all traffic on the highways closed. These coolies were stopped by the police, and sent back under orders of the magistrate.	Case abandoned; was a false one.

RANIGUNGE - - - - - -	12	Khalia Agaria, sirdar of - - -	Lalit Missir and others, *arkatis* of Ranigunge.	The complainant is one of the 10 coolies recruited by Ratti sirdar of Mr. Wallick's tea garden in the Dooars, Julpigoree, proceeding down in February last. They arrived at Ranigunge *en route*, and were soon after intercepted by the accused, and some four other *arkatis*, and forced into a depôt where a Saheb came to them and used them roughly, and compelled them to go to Assam. From Ranigunge they were taken to Dhubri by one Ramprotab peon, made to enter into agreements, and were sent to Akkell Tea Garden, from which place he escaped, and came to his old garden.	From inquiries made, and the depositions of the coolies found in Assam, it has been proved that the *arkatis* took the coolies to a Mr. Bennetz, local agent at Ranigunge, who sent them to Dhubri on behalf of Baboo N. B. Roy, a coolie contractor at Ranigunge. Owing to Mr. Bennetz being away, the case is pending inquiry. The papers, however, have now been made over to the Ranigunge police.	Case pending inquiry at Ranigunge.
LOHARDUGGA—OTHER CASES -	13	Jugtoo Kumar of Chandagassi Ranchi.	Nizir Khan, Ahmed Ruksh, Gazaffar Hosein, Gunga, Gour, all *arkatis* of Lohardugga.	The complainant charged the accused with having forcibly kidnapped and abducted his daughter Riban, his sister-in-law, Bandhani, and her daughter *Akhji*. The three were at the Doranda Bazaar on the 21st December, selling things, when the accused, one of whom was armed with a surreptitious warrant for arrest for debt against the three women, and dressed as a peon, forced the women to leave the market. The women raised a hue and cry which attracted the attention of some sepoys in the bazaar and a havildar. These men interfered, but were told that the women were arrested for debt, and one of the *arkatis* had the audacity to show the false warrant, whereupon the sepoys ceased to interfere. The accused then took the women away and put them into a two-wheeled gharry, pulled by coolies, and took them to Giridih. There handed them over to a Mr. Suther, local agent for Messrs Elliot & Co., Calcutta, who sent them to Assam.	The women were found some three months afterwards in a garden in Assam, and were brought down, and from their evidence, and that of the sepoys, the case was proved, and the Joint-Magistrate of Ranchi committed the accused to the Court of Sessions to be tried under Sections 342 (wrongful confinement) and 365 (kidnapping and abduction).	Before the Sessions the women retracted from their former statements to some extent, and the accused were acquitted. The witnesses were undoubtedly got at by the people of the accused and ruined the case.
PALAMOW SUB-DIVISION, LOHARDUGGA.	14	Gohri Kahar of Rajhera, Palamow -	Haripal Kahar, Akhaj and Samaroo, all *arkatis*.	The complainant's minor son, Sew Tahal, a boy aged 13, was enticed away from his home by the accused under a promise to give him service for Rs. 5 a month and rice, &c. The accused brought the boy to Ranchi to their employer, a sub-agent and recruiter, named Golam Hyder. Finding Golam Hyder away, the accused then took the lad to Mr. Binning, a local agent, who accepted the lad, and entered him as Balgobind, a name given by the *arkatis*, wrong caste, and age 17. The *arkatis* then returned with the boy to Golam Hyder, and the next day the lad was sent off with some other coolies under a chaprasi to Ranigunge, the chaprasi taking the chalan granted by Mr. Binning. At Ranigunge, Mr. Thompson, forwarding agent for Mr. Binning, took over the coolies, and examined them; it was then that the lad discovered he was being sent off to Assam as a coolie, and protested, whereupon Mr. Thompson returned him to Ranchi, and the same chaprasi brought the lad back to Golam Hyder. The boy then managed to have information sent to his father, who came over, and took the boy away, and preferred a complaint against the accused.	The case was well brought home to the accused, and all the parties were sent down to the Subdivisional Officer with my proceedings to take up the case judicially, where it is at present pending. The three accused are to be tried under Section 365 for kidnapping and Section 342 for wrongfully confining the lad.	Case pending judicial inquiry at Palamow.
	15	Kamiruddeen, *arkati* - - -	Baxi Ahmed, sub-agent and local recruiter.	Kamiruddeen charged the accused with having abducted his wife, Ganjari, and sent her off to Assam as a free emigrant. granted the accused the usual chalan, and she was taken to Ranigunge by one of the accused's chaprasis, and there handed over to an agent, who sent her to the collieries in Assam. The woman says that the complainant kept her for about a month or so under promise to marry her, but left her for some business; while he was away, Azimuddeen and Wazir, two *arkatis*, enticed her away to Ranchi to meet Kamiruddeen, where she was to be married to him. When she came to Ranchi she put up in the accused's house and was taken after a week to Mr. Driver and there registered and then sent off to Ranigunge and from thence to the collieries. The accused has proved that the complainant sold him the woman, and that Azimuddeen and Wazir aided him, for which the three received Rs. 20, and granted a receipt. Case proved false and malicious because of this, and also because Kumiruddeen's master Tahir, and this sub-agent and the accused were at enmity, and the latter (Tahir) made the complainant prefer the charge. Complainant also put in a petition afterwards to withdraw his complaint.	On inquiry it was found that the accused had brought the woman before Mr. Driver, a local agent at Ranchi, who accepted her and	I drew up proceedings in the whole case, and charged Kamiruddeen, under Section 211, Indian Penal Code, for giving a false complaint, and Kamiruddeen, Azimuddeen and Wazir under Sections 342 and 365, Indian Penal Code (wrongful confinement and abduction with secret intent to wrongfully confine a person) and sent papers to the District Superintendent Police, Ranchi, to finish. *Remarks.*—This is a very good case, exposing the villany of the *arkatis*.

STATEMENT of Cases of Abduction, Kidnapping, and Enticement of Coolies (Free Emigrants) from Chota Nagpore and adjoining Districts to Assam Districts—*continued*.

District in which Offence took place.	No.	Name and Particulars of Complainant.	Name and Particulars of Accused.	Class and Substance of Complaints.	Result of Inquiry.	Final Result.
PALAMOW SUB-DIVISION, LOHARDUGGA—*continued*.	16	Mussamut Sohada Paikin and Kuar Sebran.	Magahae Upadya, unlicensed sub-agent, and his *arkatis*, Rudna and Purna Lohars, of Ranchi.	The two complainants were enticed away from their homes by the accused *arkatis*. Mussamut Kuar Lohārin was enticed away by Rudna under promise of marriage, and Mussamut Sohoda was enticed away by Purna, under a promise that one Mukund Rai, a well-to-do man of Chatakpore would keep her. The *arkatis* brought them to Magahae Upadya, who sold them to Mr. Driver, sub-agent, and they were sent on to Giridih *en route*. They discovered that they were being taken as coolies for Assam, and so complained at Bogoda, in Hazaribagh, to the police, who sent them back to Ranchi.	Inquiries were made at Ranchi, regarding the recruiting of these women, and it was discovered that they were abducted by deceitful means; and so the case was not instituted against the accused. At the same time, the inquiries disclosed the fact that head-constable Kishen Dyal of the Court and Chuni Lall, process peon, attempted to sell these girls again on their return from Hazaribagh, and the matter was taken up departmentally and the two men have been punished.	Case false. *Remarks.*—In this case it was found that process peons adopt the trade of *arkatis*.
CHYEBASSA	17	Sankar Teli, of Chyebassa	Boloram Hariah, Tanti, and Neeranjun, Tani, *arkatis*.	In this case the complainant accused the three defendants with enticing away his wife, Parbati, and sending her to Assam as a coolie. He missed his wife early in January, and after a long time found out she had been abducted.	The complainant's story was found to be true, and the woman traced out, but unfortunately she died on board the steamer *en route*, and so the case had to be abandoned.	Case abandoned owing to the death of the chief witness, the woman abducted.
LOHARDUGGA	18	David Christian, and Mungri Orain, of Ranchee.	Philip Christian	The former complainant brought to my notice that his daughter, Doymanti, aged 12, and his niece, Peary, aged 13 years, were missing, and that he suspected that the accused, who is an *arkati*, had enticed the girls away. The second complainant story was the same. The three girls had disappeared together. Mungri had lost her daughter only.	The three girls were found after some time in the mission at Chyebassa, and when sent up before me said that the accused had not enticed them away. They said that their people had ill-treated them, and so they ran away.	Case abandoned as the supposed abducted girls denied everything.
CHYEBASSA	19	Ganson Bhoomij	Nathoni and Gunput Sao, *arkatis*	The accused were charged before me of having enticed away a lad, Gadey, aged 12, son of complainant. Complainant had missed his boy one day, and, on searching for him, could not find him, but learnt that he was last seen with Gunput, accused.	The two I found were *arkatis* employed by Mr. Driver. They had produced the boy before Mr. Driver, who accepted him, and eventually sent him to Pertabgar Tea Garden, where the boy was found, and admitted he had come of his own free will. A medical certificate was also produced showing his age to be 19 years.	Case abandoned, as the abducted boy admitted going of his own free will.
HAZARIBAGH	20	Jehan Sing, Government patrol	Lawton and his *arkatis*, Edoo, Saligram, &c.	Mungra, a sirdar, was proceeding last February through Hazaribagh with 24 coolies, men, women, and children, to make over to an agent in Ranigunge. When nearing Bogodar, on the Grand Trunk Road, in Hazaribagh, he was stopped one night by the accused, who snatched away the coolies, and assaulted the sirdar. A hue and cry was raised at the time by the sirdar, which attracted the attention of the complainant, whose patrol house was close at hand. Complainant went up and tried to prevent the accused, but only got assaulted himself, whereupon he went and complained. The case of assault was taken notice of, and inquired into. In the meantime the accused made off with their coolies, and nothing has been heard of them since, nor a proper complaint made by the owners.	The case of assault on the complainant was clearly proved on the evidence of the cartmen and others, and Mr. Lawton, who was arrested in Calcutta, was sent up for trial, under Sections 170, 332, 323, viz., for personating a public servant, assaulting a public servant, and assault. The *arkatis* had disappeared.	Mr. Lawton was found guilty by the Deputy Magistrate and sentenced to three months' rigorous imprisonment for causing hurt. *Remarks.*—This case was well contested. The defendant had Mr. Gasper, Barrister, and Mr. Cranenburgh to defend him.

	21 Mussamut Golap	Unknown	This complainant, when landing at Gowhati, in Assam, *en route* to Gheladana Tea Estate, in Darung, complained to Dr. J. Mullane, Civil Surgeon of Gowhati, that one morning, when she was alone in her house, at Syuthia, a stranger man came to her and induced her to carry his bundle as far as Ranigunge, 12 *koss* away, for a good remuneration. She went to Ranigunge, and there taken before a Saheb, and was put up and given *rice* to eat, and told that she would soon be sent to her home; she, however, remained some days at Ranigunge under such promises. One day the same man asked her to carry his bundle to the Railway Station, which she did. When at the station she was forcibly put into a carriage, and eventually sent with others to Dhubri in charge of a *chaprasi*, Ram Pershad, under whose influence she was made to agree to go to Assam. When she was put into the train she was so frightened that she could not cry out.	These papers I received on the 4th September, and commenced my inquiries in Burdwan, but with now hand them over to the District Officer for disposal. The papers were sent to me by the Commissioner of Assam.	—
	22 Blakta Mochi, of Moorshedabad	Baboo Rajoni Kanta Mozumdar, sub-agent of Mr. Mackertick, a contractor in Calcutta, and Dinoo his peon.	Complainant and his wife Siboo arrived at Ranigunge from Pooree, where they had gone on a pilgrimage. They were encamped under a tree, when Dinoo came to them and made overtures to them to go to Assam, where they would find good wages. They consented, and were taken to the Baboo, who took them down to Calcutta to Mr. Mackertich, who accepted the woman, but rejected the man (husband). He, however, objected to his wife going without him, and so the pair were brought back to Ranigunge, and made to put up in Dinoo's house. The next day the complainant missed his wife, and was told she had been sent home, and that he could go to; so he went, but found his wife had not returned home, whereupon he came back to Ranigunge, and accused Dinoo and the Baboo of having enticed away his wife. The Sub-divisional Officer sent me the complaint to inquire into.	I proved the story of the complainant to be quite true, and found the woman Siboo up in Assam, and had her examined. She stated that under the pretence of sending her home, Dinoo and the Baboo put her into the train and sent her to Dhubri, with others, with a chaprasi. At Dhubri she was forced into an agreement to go to Assam. I took the case to Ranigunge, and then handed it over to be tried under Sections 365 and 342, abducting and wrongful confinement.	The case was tried and accused acquitted by the Sub-divisional Officer, of Ranigunge, under Section 209, Indian Penal Code. He did not believe the story, and was of opinion the woman went of her own free will to find a more congenial companion than her old husband. All I can say is it was a good case thrown away.
CHYEBASSA	23 Mussamut Mungli Tanti 24 Mussamut Darmi of Bahara, Doomka 25 Rangmahal, of Nuni, Doomka	Sebak Sing, Dollon Sing, *arkatis* of Ranigunge.	These three women were on board the "Miri," bound for the Messai Tea Garden in Debruhur, when they complained to Mr. Campbell, Deputy Commissioner, who was on board. Mungli said that she had been induced to leave Chyebassa by Sebak, who promised to find her "good service at Ranigunge with his brother Dollon." Dollon, however, brought her to Dhubri, and put her on board the steamer as a cooly, and left her. The Assam authorities sent her back home. Darmi's story was that her sister Ranglal made her over to Dollon, who promised to find her service, but he took her to Dhubri, and then put her on board and sent her off as a cooly; she too was allowed to return home. Rangmahal said her husband had left her to find work while he was away. Dollon induced her to leave with him, as he said her husband had found work in the Messai Tea Estate. At Dhubri she was with the other women put on board as a cooly; she too was allowed to return home.	These cases were sent to me by the Commissioner of Chota Nagpore to inquire into; he had received them under Government Letter, No. 1410, dated 5th April. They are Assam papers. Mungli I found in Chyebassa, but she simply denied everything she had said before, and on her oath stated before the Deputy Commissioner of Chyebassa and myself that she went willingly. She was found to be a very immoral woman, and no doubt was anxious for a change of scenes. Her case was abandoned. Darmi, I could not find; no one of that name had ever lived in the village; case abandoned. Rangmahal, I could not find her either. Her brother Gunga I found, and he said that his sister was very immoral; she had married four times; and on the death of her last husband had suddenly disappeared, and had never been heard of since; case abandoned.	Case of Mussamut Mungli Tanti proved false. Cases of Mussamuts Darmi and Rangmahal abandoned, as they could not be found.

STATEMENT of Cases of Abduction, Kidnapping, and Enticement of Coolies (Free Emigrants) from Chota Nagpore and adjoining Districts to Assam Districts—*continued*.

District in which Offence took place.	No.	Name and Particulars of Complainant.	Name and Particulars of Accused.	Class and Substance of Complaints.	Result of Inquiry.	Final Result.
RANIGUNGE	26, 27, 28	Mussamut Jamuna of Assensole - Mussamuts Chandra and Mandakini of Gungajalghati, Bankoorah.	Mohendra Chakravarti of Ranigunge.	These three women were also on board the "Miri," bound for the Meila Tea Estate, in Lakhimpore, along with the other three mentioned above, in cases 23, 24, and 25, and complained to Mr. Campbell. They all stated they were enticed away from their homes by the accused, an *arkati*, under promises of good services, but were taken to Dhubri, and there put on board the steamer, and sent off as coolies.	Jamuna's case I made over to the Ranigunge police to inquire into and try and find the parties, but they have been unable to get at any one. Chandra could not be found in the village, nor has such a person ever lived there. In the statement given by her in Assam, she mentioned her father's name as Brindaban; he was found to have died, but his son said he never had a sister of that name, but one named Sonpura, who was immoral, and left her home some years ago, and had never been heard of since. It may be that Chundra is the same woman who has thought it better not to come home again.	Cases abandoned; parties could not be found.
GIRIDI—HAZARIBAGH	29	Hoolsie Kamarin of Giridih	Setua, Mussamut Janki, and two others of Giridih.	Three girls, Purbati, aged 15 years, daughter of complainant; Gungri, aged 10 years, complainant's daughter-in-law, and Sukiah, aged 10, were out one day picking mangoes when Mussamut Sukri and her sister went up to them and induced them with promises of finding them good husbands with lucrative employment to go to their house. The four accused lived together and worked as *arkatis*. They (accused) kept the girls confined in the house for three days or so, and took from them what ornaments they had on, with promises to give them much better ones. One night the three girls were put into a bullock cart, and were being taken to Ranigunge in charge of Setua's uncle (an accused). After travelling some distance the uncle dismissed the cart, and told the girls they would have to walk the remainder of the journey. This rather disappointed the girls, and they began to suspect that all was not right, and strongly objected to proceed any further, and they all returned home. The girls then told the complainant of all that had happened to them, and she brought the matter to notice and inquiries were at once made.	From inquiries made, the story of the girls was well founded. They were undoubtedly being taken to Ranigunge to be sold as coolies for Assam, to some local agent. The four accused were sent up for trial under Section 363, kidnapping; 379, theft; and 342, wrongful confinement.	The accused were convicted by the sub-divisional officer of Giridih and sentenced to two years' rigorous imprisonment under Section 363, kidnapping, and Mussamut Sukri and her sister to six months more under Section 379, theft. *Remarks.*—This case shows that both men and women adopted the occupation of *arkatis*.
PURULIA	30	Kirpa and Chandra, girls of Govindpore, Purulia.	Kangal Podar of Gobindpore	These girls were on board the steamer "Miri," bound for Sibsagar in Assam, to work as coolies on Khamtia tea garden, when they complained to the native doctor on board. The accused had enticed them away from home one day to see the *Sarwasti melá*. He first took them to Ranigunge, where they were examined by some Sahob, and he then took them to Dhubri, and put them on board the steamer, and then went ashore himself under the pretence of getting some food, but never returned. They then found out they were being carried off as coolies, and objected very strongly. The women repeated their story to Dr. Multane, at Gowhati. The Chief Commissioner of Assam sent me the papers to inquire into.	I had commenced my inquiries, but have now to hand over the papers to the district officer of Purulia for disposal.	——
RANCHI	31	Mr. W. Driver, Local Agent	Buxi Ahmed and others, sub-agents, and *arkatis* of Ranchi.	The accused is a sub-agent (unlicensed) employed by Mr. Driver, a local agent (unlicensed) to supply him with free emigrants for advances made. The accused on this occasion brought up some coolies to Mr. Driver, who accepted 11 of them and rejected others. Complainant in the usual manner gave the accused a challan, in which were entered the names and description of the 11 coolies picked by him, and the agent to whom they were to be made over at Ranigunge. Mr. Driver had reason to suspect the accused of malpractices, so the third day after he had picked the coolies, and gave orders that they were to be sent to Ranigunge by the sub-agent, he rode out and overtook the cart containing the supposed challaned coolies, and found that, with the exception of one man, all the others were coolies he had never picked; in fact they were old and useless people, and two of them he had some time ago rejected. The cart-load was brought back to me, and he charged the sub-agent with cheating.	I at once examined the coolies, and ten of them stated to me that they had never been before Mr. Driver. That they had been with the accused, a recruiter, and he had sent them off that morning to Ranigunge, and tutored them to adopt the names, &c. of men entered in the challan, and to say they were picked men. Fortunately, too, Mr. Driver had photographed two of the men he had picked out, and entered in the challan; none of those that were found in the cart in any way resembled these photos. I sent the accused parties up to the Deputy Commissioner of Ranchi, to be tried under Sections 416, 417, cheating by personation, &c.	Case is pending judicial inquiry. *Remarks.*—This is a case that exposes another of the malpractices adopted by recruiters, by keeping a certain number of fine-looking men and women to substitute for bad and rejected and refractory coolies. This is quite a common practice, but hard to detect.

The abstract of results are :—

Convictions	6
Acquittals	2
Persons convicted	15
Ditto acquitted	6
Cases pending trial	5
Ditto - submission of final form	0
Cases under inquiry with me	3
Ditto - ditto - police of other districts	4
Ditto abandoned for various reasons, such as death of complainant, &c., &c.	9
False cases	2
TOTAL Cases	31

1. The cases shown as "under inquiry with me" are those in which the abducted coolies have not yet been found. Endeavours have been made, and are still being made, to find them. However, they will now be made over to the district superintendents of the districts in which the offences were committed, to bring to an issue, if possible, working in accordance with my notes and instructions.

2. I find that three systems of recruiting coolies for Assam, Cachar, Sylhet, Dooars, and Terai gardens are in force in Chota Nagpore and the adjoining districts that supply labourers—

I. That by garden sirdars of Assam and Cachar through local agents, under Chapter IV. of Act I. of 1882.—This is worked strictly in accordance with the Act and calls for no comment. Recruiting under this system goes on all the year round.

II. Recruiting of free emigrants for the Dooars and Terai by garden sirdars, and irrespective of any local and other agent or recruiter.—This system in itself works well enough, but is greatly interfered with by system No. 3. Recruiting under this system goes on only from October to March. These coolies work under no agreements, and can leave their gardens and sirdars whenever they please, and return home, and rejoin whenever they like.

III. Supplying of supposed free emigrants for Assam, Cachar, and Sylhet by unlicensed local agents, through unlicensed local recruiters, i.e., sub-agents and arkatis or village recruiters.—This system is based upon Section 7 of Act I. of 1882, and paragraph 3 of the Government of India's Resolution of the 27th January 1882, published in the "Calcutta Gazette" of the 15th March 1882.

3. It is under this system that all the above cases have occurred, and the numerous malpractices and abuses exist. Recruiting under this system goes on all the year through.

4. I will now endeavour to explain this system.

The demand for labour for Assam having become so great, with every tendency to increase, and the very high prices that are paid for coolies to work in tea gardens in the province, led to very many Europeans and natives establishing themselves at the sudder stations of Chota Nagpore and adjoining districts that likewise supply labourers as suppliers of free emigrants, calling themselves local agents but unlicensed. These local agents employ local recruiters, chiefly natives, and unlicensed, who keep regular depôts to house coolies, the same as authorised contractors and recruiters under the Inland Emigration Act. These local recruiters, or, properly designated, local sub-agents, receive advances from local agents, for which they enter into stamped agreements to supply free coolies at fixed rates, which I found ranged from Rs. 50 to Rs. 60 a head for male and female adults, and a proportionate rate for children.

6. These sub-agents employ villagers and others called *arkatis* (recruiters) in very large numbers, under the same conditions as they have entered into with the local agents to supply them with free coolies from the district, at certain fixed rates, which I found range from Rs. 10 to Rs. 20 a head for male and female adults, and proportionate rates for children. Sub-agents are granted permits, in the form attached, by their local agents as likewise *arkatis* :—

Ranchi, 188 .

Under provisions of the India Government Resolution, para. 3, of the 27th January 1882, published in the Supplement to the "India Gazette," dated the 28th idem, and republished in the Supplement to the "Calcutta Gazette" of the 15th March 1882, I hereby, authorise _____ to engage and forward all labourers who may wish to proceed to any tea gardens independently of the Emigration Act.

7. I have also discovered that some contractors of coolies grant similar permits to arkatis to supply them with free emigrants. The other contractors, as well as agents, in Calcutta and elsewhere, for tea estates, generally get their supplies from local agents. In some instances, too, I have found local agents working direct with arkatis.

8. The Act I find is almost, if not quite, a dead-letter in Chota Nagpore and other districts.

9. The *modus operandi* of this No. 3 system is as follows:—
Arkatis who, working only for the Assam and Cachar requirements, scour the country round for free emigrants. The coolies they manage to get hold of are then taken to the sub-agent, who, if he approves of them, either takes them up to his local agent himself, or sends them up with the arkatis who brought them. The local agent on approving of them grants the parties who produce them a challan in the name of the sub-agent, bearing on it the name of the individual at Giridi, Raneegunge, or Dhubri authorised to take them over finally. (This same individual being an agent or contractor, or some responsible person told off by the contractor or agent to take charge of coolies and send them to their ultimate destination, a garden or other concern, who require them.)

10. The coolies, when passed by the local agent, are then taken back to the sub-agent's depôt, and from there sent off in charge of the sub-agent's peon, wearing the badge of the local agent, to Giridi, Raneegunge, &c. The peon then returns with the challan duly receipted to his sub-agent, who then gets paid for every coolie on the challan accepted by his local agent, and afterwards settles his accounts with the arkatis; in some instances the arkatis accompany the coolies to Giridi, Raneegunge, &c.

11. The local agent eventually recovers his price of the coolies from the person who signs the challan at Giridi, Raneegunge, &c.

12. The whole thing is a regular debit and credit transaction, and regular trade by which no less than three parties are greatly benefited.

13. By this method it will be observed the local agent does not take upon himself any responsibility. It is supposed, however, when the coolies are brought to him, that he passes them as *bonâ fide* free emigrants for Assam and Cachar. Whether this is actually done is difficult to know, and I am in doubts about it. The sub-agents have a certain amount of responsibility, but the arkatis are undoubtedly the ones upon whom the whole responsibilities are thrown; for if during transit any coolie turns out to have been abducted, or becomes refractory, or runs away, the arkatis are the ones first pounced upon. However, to prevent all this, the arkatis have friends and relatives everywhere, even among the peons at depôts; to act on their behalf.

14. Now for the various working members of this system, I will first deal with the arkatis. These individuals are, as a rule, the scum of the country, and unscrupulous to a degree. Amongst them have been found ex-convicts, burglars, thieves, dacoits, and notorious budmashas, all of the deepest dye, and who resort to every vile practice to obtain their ends, *i.e.* a poor unfortunate coolie. A large percentage of these men are armed with extraordinary and most formidable documents called permits, similar to the one I attached to my first report, dated July 1888. From my experience these permits, amongst the ignorant classes in the interior, are looked upon as instruments of dread, and are a means of bringing them under subjection to any caprice of the arkati.

15. These arkatis are at liberty to roam about the country without any fear of being interfered with by the local authorities. However, so well are these individuals known now, that I am informed that they do not find it safe to travel in remote villages; should their disguise be discovered, the people turn out and treat them as they deserve.

Under these circumstances, and with men of such a type, can it be wondered at that malpractices and abuses are practised on the unfortunate inhabitants. These are the men who lie in wait for the Dooars and Terai coolies, quietly wending their way to their gardens to work as *bonâ fide* free emigrants, and by force abduct them to Assam; as the cases of Lawton of Hazaribagh notoriety and Kristo Baboo of Gya with their myrmidons will show.

16. As far as I could learn, this system of recruiting for the Dooars and Terai was adopted by the Assam gardens, but fell through simply because the arkatis were too much for the sirdars, and so the system was dropped, and that of unlicensed local agents, sub-agents, and arkatis reigns supreme.

17. The audacity of the arkatis and their employers is, I think, fully portrayed in the Lawton and Kristo Baboo's cases. In the former, the position of the accused was that of highwaymen. They planted themselves on the side of the highway, and built themselves a depôt, which is a small jail, in which their captures were confined, and finally disposed of; they carried on their depredations until they became too daring, and then were caught. The same may be said of the Gya accused. The arkatis in these gangs were not regular village arkatis. They were more like latials, and went in chiefly against the Dooars Terai coolies whom they found easier prey than scouring the country for free emigrants, as is done in the Chota Nagpore plateau. The former faction too, as a general rule, took their captures direct to Assam and disposed of them there. The latter, however,

however, adopted a sort of precautionary move by forcing their captures through Dhubri, where registration exists and agreements are taken.

18. My inquiries, I regret to state, lead me to think that great slackness exists at Dhubri in carrying out the strict provisions of the Act concerning registration. The only reason I can assign for this laxity is want of time to examine each individual coolie when so many come up at a time for parade. The general custom is to read out the conditions of the Act, to which a few men answer, and as for the rest silence is most probably taken for consent, and all the individuals are then handed over to some Baboo to enter in the register. From the very many dispositions taken of witnesses in Assam, this "Baboo" is the one the coolies complain to, but who can do nothing, and is no doubt in the pay of the depôt men to hold his tongue. The coolies, however, are not long in bringing their grievances to the notice of some one, by letters, or escaping, &c.

19. The depots at Dhubri, kept by contractors, into which every abducted coolie is placed before registration, are well manned by peons, arkatis, &c., who keep the inmates in order by threats, &c., and bring them out, thoroughly cowed, to be registered.

20. The Assam authorities, especially the Deputy Commissioner of Sibsagar, represent that in these cases of abduction of Dooar and Terai coolies there is collusion on the part of the sirdars, who get well paid to divest themselves of their coolies, but that afterwards they become dissatisfied with the new life, and complain of having been abducted. From the cases I have had to deal with, I have not yet been able to detect this. An instance against such an idea as that held by the Deputy Commissioner of Sibsagar is the case of Mungloo and Chanva, No. 5 in the statement. The sirdar, in this instance, escapes *en route* to Calcutta by jumping out of the trian; also a coolie. Their story was taken in February, and in April was corroborated by the coolies found in Assam months afterwards. The sirdar himself was ignorant of where his coolies were until I found them.

21. The Deputy Commissioner of Cachar again holds a different opinion, for when applied to, to assist in finding some abducted coolies in Kungloo's case, No. 2 of the statement, he found the coolies, and on examining them believed they had been abducted, and so cancelled their contracts and repatriated them.

22. As for sub-agents, the majority of them I found were bad and simply aiders and abetters of their arkatis. Some of them were once arkatis, and after amassing wealth became sub-agents, and took life easy, earning their Rs. 20 to Rs. 30 per coolie, after paying all expenses, without any trouble. Naturally, with such pecuniary advantages before them, they are not above resorting to vile practices themselves to obtain coolies.

23. Amongst the European local agents, I found but few who were doubtful characters. By most of them I was allowed access to their books, and every help given to trace out abducted coolies. Not so with Natives; they closed everything against me, and too often told me they kept no books, and were recruiters of free emigrants.

24. I must say undue advantage has been taken of the term free emigration, and that it was never contemplated that Section 7 of the Act would be worked in the manner it is. The majority of the cases in the statement under heading "Other Cases" are petty ones, but show clearly the many malpractices adopted by the recruiters and arkatis, such as—

(*a*) Enticing men away under promises of getting them service where they will be well paid, not mentioning Assam and Cachar.

(*b*) Enticing away girls under the promise that they would be provided with well-to-do husbands, jewellery, &c.

(*c*) Enticing away girls and women under promise of marriage, and deserting them after putting them on board the steamers at Dhubri.

(*d*) Assuming various disguises by which they induce men and women to join them in pretended enterprises, and somehow getting them under pecuniary obligations and taking them to recruiting depôts, and there making their victims over to contractors who ship them off to Assam, &c.

25. I also discovered that at almost every depôt a certain number of well-made men and women are kept, who are brought forward before local and other agents as substitutes for bad and refractory coolies. These same substitutes are passed by local agents as *bonâ fide* coolies, whereas they go back to the depôt, and the bad and refractory coolies are challaned by sub-agents and arkatis, the substitutes being kept for nothing but deception.

26. During my inquiries in Lohardugga, Hazaribagh, Gya, and Raneegunge, my attention was drawn to regular depôts in which coolies are kept by supposed free recruiters. The depôts are built like ordinary authorised depôts. Free emigration requires no depôts. They are simply used as places of confinement of free emigrants.

27. All I can say say in conclusion is that, as long as this No. 3 system of recruiting of free emigrants exists, and no control is exercised over the various members working it, especially over the arkatis and sub-agents, abductions, malpractices, &c., will continue. The whole thing is now a trade and a very paying one too. District officers are powerless

in the matter. They see the scum of their districts wandering about as recruiters of free emigrants and cannot do anything. The cry is against the enormous body of unscrupulous arkatis and their employers, who are established all over the country.

The permissive provisions of the law have let loose an army of unscrupulous crimps and blackguards on an ignorant population which cannot defend itself from the evils and deceit practised. The question is whether these are to continue to be practised with the tacit sanction of the Government; if not, local officers must be vested with some powers of interference and control.

In the Chota Nagpore Division I think that some good has been done by the few prosecutions and convictions, and fear has been instilled into the less bold workers: but it is hard to tell how long this good will last. The same may be said at Gya. I have my doubts, however, about other districts that are worked directly by the strong factions of recruiters in Raneegunge, who are chiefly Europeans. Success has not attended our exertions there.

Local officers, however, quite understand their responsibilities in checking abuses as much as possible, and will no doubt exercise every power to do so. The task is no easy one.

P.S.—I append a description of the routes taken by coolies. Three routes, as a rule, are adopted by the Dooar and Terai free emigrants:—

1st.—Through Gya district, which men living in the north and west of Lohardugga district, including Palamow, and west of Hazaribagh take. Then on to Sahebgunge on the Ganges, across through Purneah district to Julpigoree.

2nd.—Through Hazaribagh to Giridi or Burrakar across to Raneegunge and Sahebgunge through Purneah and on to Julpigoree. This route the men of Hazaribagh, West Lohardugga, and South Palamow adopt.

3rd.—Through Ranchi on to Purulia and then across as in the above cases. Men of Lohardugga and the Tributary States generally adopt this route.

In the second and third routes the emigrants generally travel by the main roads, but not so in the first. In this route jungle roads and short cuts are taken along the bases of hills, &c.

Why these different routes are taken by men who really, one may say, come from the same parts of Chota Nagpore is all accounted for by the coolies, who tell me that they generally go by the route they have always been accustomed to take, and which they know well.

Their ultimate destination being Julpigoree, I do not see why one route should not be adopted by all. It will be a safeguard from future malpractices, and could be well looked after.

The route through Ranchi and Purulia is the one I would advocate. The road is good, and plenty of water to be had all the year round. This route could be looked after by the interested parties with the assistance of the local officers. All the Tea Association would have to do would be to appoint some responsible European of their own, with a staff of persons in a way subordinate to the district officer, and through whom all coolies should go, and who could adopt some means of protecting them not only from arkatis, but other measures.

Coolies for Assam are generally sent from the districts in which they are recruited, direct to Giridi or Raneegunge, where they are taken over by agents and drafted off to Dhubri and Calcutta, and some to the gardens in Assam and Cachar direct.

(signed) *F. H. Tucker.*

No. 271, Ret.

Revenue Department.—Petitions, &c.

Commissioner's Office, Rajshaye Division;
dated Darjeeling, 22 September 1888.

THIS petition of Mr. F. T. Verner, Superintendent, the Dooars Tea Company, Limited, is forwarded in original to Government, Revenue Department for consideration. The petition was accompanied by a verbal request that the Government might be moved to take such steps as might seem fitting to protect the coolies coming to the Dooars during the next few months. The petitioners acknowledge the great good that has been done by the appointment of Mr. Tucker; they are, however, apprehensive that his services on this special duty will soon be dispensed with, and they fear that the withdrawal of active supervision may give rise to a recurrence complained of. The petitioners hope that the services of Mr. Tucker may be retained for the present.

(signed) *E. E. Lowis,*
Commissioner.

Tondoo Ramsahai Hat, P.O., Jolpaiguri,
17 September 1888.

Sir,

I have the honour to ask for your interest and assistance in the matter of the protection of free labourers *en route* from Chota Nagpore to the tea gardens in the Dooars.

I enclose for information copies of two memorials submitted to his Honor the Lieutenant Governor last year; in these memorials the difficulties and dangers incurred by coolies proceeding to the Dooars are pointed out. His Honor the Lieutenant Governor not only ordered general inquiries to be made into our grievances, but also appointed Mr. F. Harrington Tucker, Superintendent of Police, on special duty, to investigate the cases of kidnapping and abduction, of which the Dooars' Planters Association, this company and various individual planters complain. These inquiries havefully confirmed our representations as to the danegrs to which the coolies proceeding to the Dooars are subject to, and fully prove that not only are the Dooars coolies kidnapped and abducted in large numbers to Assam and Cachar, but also that many gangs of coolies, on their way to the Dooars, attacked by arkatias and others, are broken up; the coolies that escape from the hands of the arkatias returning to their homes frightened and discouraged. The result is that the tea industry of this district greatly suffers from the want of sufficient labour.

I feel sure that the authorities fully recognise the deplorable state of affairs. The inquiries that have been instituted and the proceedings that have been taken against some of the offenders will, no doubt, have a sanitary effect, but it appears to me, as at present advised, that the action of the authorities has chiefly been confined to inquiries into our complaints of the past. I am not aware that any adequate steps have been taken to secure the safety of the coolies proceeding to the Dooars in the present and future.

The yearly emigration of coolies to the Dooars commences in the month of October. Immediate action is therefore necessary to protect the coolies *en route*, and I therefore pray you to represent the urgency and importance of this matter to his Honor the Lieutenant Governor. If the authorities will show us how we can best co-operate to secure the safety of the coolies, the planters of the Dooars will not be found wanting; they fully recognise the difficulties. Each adult coolie kidnapped and abducted to Assam and Cachar represents some Rs. 40 into the pockets of the subordinate agents (the arkatis and others) engaged in the kidnapping trade. Strong protective and repressive measures are required to counteract such an inducement to violence and fraud.

I have, &c.
(signed) *F. T. Verner*,
Superintendent,
The Dooars Tea Company, Limited.

To the Commissioner,
Rajshahye Division, Darjeeling.

Judicial Department.—No. 8 J.D.

From *J. Ware Edgar*, Esq., C.S.I., Chief Secretary to the Government of Bengal, to the Secretary to the Government of India, Revenue and Agricultural Department; dated Darjeeling, the 22nd May 1889.

Sir,

With reference to your No. 207 E.—69-2, of the 6th November last, I am directed to submit, for the information of the Government of India, the papers noted in the margin on the subject of the inquiry made by Mr. F. H. Tucker, into the charges of fraud and kidnapping connected with the recruiting of coolies for the tea districts.

Letter No. 168 S., dated February 1889, from Mr. F. H. Tucker.
Resolution dated the 22nd April 1889 on above letter.
Letter No. 88 I., dated the 25th April 1889, from the Commissioner of the Chota Nagpur Division, and Mr. Tucker's Report of 23rd April 1889.

2. It will be seen that when the Lieutenant Governor recorded the Resolution of the 22nd April, he considered that it would not be necessary to retain Mr. Tucker on special duty after the completion of the period fixed in your letter above referred to, although the necessity of re-employing him at the commencement of the recruiting season was contemplated, but since then the further report of the 25th April has been received from the Commissioner of Chota Nagpur giving cover to Mr. Tucker's letter of 23rd April. From the latter it appears that several fresh cases have come to light, some of which appeared to be of a very serious character, and the conduct of which called for special attention.

3. In consequence of this, the Lieutenant Governor considered it desirable not to remove Mr. Tucker from the work while these cases remain undecided, particularly as there are indications that the malpractices of the recruiting agents have been turned into directions hitherto unknown. This is probably a consequence of the check given to the old forms of the evil by the action taken during the last eighteen months, and it seems to indicate that any relaxation of our efforts now might be followed by a revival of the old evils and a further development of those now coming to light.

4. The Lieutenant Governor has therefore in anticipation of the approval of the Government of India retained Mr. Tucker on special duty, and would ask to have the sanction conveyed in your letter above referred to extended for a further period of 12 months from the date on which it terminated. It might be found convenient to let Mr. Tucker take up the regular work of a district superintendent of police, after the conclusion of the cases mentioned in his report of the 23rd April, in which case his employment on special duty would be suspended; but it is now quite clear that he will have again to take up the special inquiries at the end of the rains, and it appears most convenient to obtain the requisite sanction at once and so save further reference.

I have, &c.
(signed) *J. Ware Edgar*,
Chief Secretary
to the Government of Bengal.

No. 1688; dated Hazaribagh, the February 1889.

From *F. Harrington Tucker*, Esq., Officiating District Superintendent of Police, on Special Duty, to the Commissioner of the Chota Nagpore Division.

WITH reference to a telegram I received at Gya on the 22nd instant from the Chief Secretary to the Government of Bengal (copy of which I herewith attach), I have the honour to submit the following report, in continuation of my No. 105 E, dated 29th September 1888.

1. On receiving intimation in the early part of November last that my special appointment was to be extended, I at once took up the question of fixing a definite route for the Dooars and Terai free emigrants to take this cold season, and, after consulting with you, and under your verbal instructions, I started to project the following route, which had been previously recommended by me, and approved of by you and the Dooars and Terai planters.

2. I made a tour commencing from Balomat in Lohardugga district as a starting point, right through Hazaribagh, then through Deoghur, a subdivision of the Sonthal Pergunnahs, then through Bhagulpore district *vid* Bousie, Colgong to Caragola, then through Purneah district along the old "*pucca*" road to Darjeeling, and found that the route was a good one. Supplies were plentiful, water good, road for the most part very good, and the police protection ample with the exception of the bit from Jaipore to Colgong in the Bhagulpore district, which undoubtedly required more protective measures.

3. I

3. I saw the various district officers along the route, and told them what Government wished, and brought especially to the notice of the Commissioner and Magistrate of Bhagulpore the extra police protection that was necessary in their district, and they promised to look into the question. This portion of country too, as far as I could ascertain, was still overrun with arkatis, as a nasty case occurred about that time in the Banka subdivision, which I shall give in detail further on.

4. On the 22nd November last I received a letter from Mr. P. Nolan, Secretary to Government in the General Branch, forwarding me Dr. Gregg's report, and asking me for particulars of this route, which I sent him on the 24th November accompanied by a sketch map showing the line of route and a tabular statement (copy of which I now attach) of the protective measures and certain suggestions. A similar report was sent to the Inspector-General of Police, Lower Provinces.

5. On my return to Ranchi in the early part of December from this tour I found a large number of sardars from the Dooars and Terai, who had arrived during my absence, had collected coolies, and were waiting for instructions from me as to how they were to proceed. I then gave them full instructions and lithographed copies of the route, and told them under all circumstances to go by this route, and at the same time sent intimation to the various district officers that the route was being used, and that the local police may be told to be on the alert, and, if possible, prevent any interference on the part of arkatis.

6. Since then I may say thousands of coolies have gone along this route (my own calculations show 5,505 men, 3,659 women, and 1,683 children; besides this I know many others have gone with their masters) in batches as far as I could regulate of 200 men, women, and children.

7. I have up to date received absolutely no complaints of any interference by arkatis with these coolies; in fact, the managers, who have received their coolies at the gardens, have written to me saying that this year their sardars have returned quite pleased, and that my efforts were, as far as they have heard, "crowned with success."

8. I was told, moreover, by one planter that some of his coolies were detained in the Lohardugga dehat by villagers, who he thought were pretty zemindars, and who were most anxious that their ryots should not emigate, but the coolies got off and baffled the zemindars. I also had a complaint from Mr. Driver of Ranchi, who recruits for Assam, that some peons, as he thought of the Maharajah's, were interfering with some of his recruiters and trying to prevent coolies from emigrating. In such cases I thought that most probably there were faults on both sides, and that the recruiters were well able to look after themselves, and unless I got an actual criminal complaint would not interfere.

A Baboo, K. N. Ghose, agent for Mr. Verner of the Dooars, complained that the Lohardugga police about Balomat and Chainpore were interfering with his sardar's recruiting, but failed to substantiate his complaint. He also complained of zemindars trying to get coolies from emigrating.

9. The only serious hitch that took place along this route was at the Caragola Ghât. The Government ferryman had not enough boats plying, and consequently coolies were gathering in large numbers at the riverside. However, with the assistance of a European, who was sent down to the ghât on behalf of the coolies, hired boats were procured for a time, and the coolies were taken across. I have to suggest that for the future the Purneah authorities who farm out the ferry should be prepared for this rush of coolies, and should have more boats put on at the ferry during the period from the 1st December to end of February, for it is during this period that the greatest number of coolies are *en route*.

10. This is also very essential in a sanitary point of view, as coolies allowed to accumulate means running a great risk of an epidemic breaking out amongst them. I also learn that the method of putting coolies on board the boats is objectionable. A bamboo ramp is badly needed, and would prevent the coolies from having to wade at times some distance waist deep in water to get to the boats.

11. It was also brought to my notice that the ghatwallahs tried at first to extort extra toll from the coolies, as much as three annas a head for crossing. However, I got the authorised tariff from Purneah, and told the sardars of it, and this put a stop to extortion to a large extent. This is a point that should be brought to the notice of the Purneah authorities, who have the farming out of the ferry.

12. This cold season I found that representatives from the following firms in Calcutta had come up to these parts to look after their sardars. The firms are agents for tea-gardens in the Dooars :—

Mr. Thompson - -	From Messrs. Steel & Co.
„ Henry - - -	
„ C. Muir - - -	From Messrs. Finlay, Muir & Co.
„ W. T. Cresswell - -	From Cresswell & Co.
Baboo K. N. Ghose -	From the Dooars Tea Association (Mr. F. T. Verner's).

There were also two gentlemen, Mr. Halkett and Mr. Hingelburg, from the Terai Association.

13. All these representatives remained up in these parts till about the middle of February and took up their positions for most of the time at Hazaribagh, spending some little time at Ranchi and in the interior. When they had got, or saw their sardars had got as many coolies as they required and started them for the various gardens, they then left. They found Hazaribagh more central and convenient to meet their sardars and give them advances to help their coolies *en route*.

I too took up my quarters at Hazaribagh to be more handy in every way to do my portion of the work.

14. When in Calcutta during the second week of February, I went and called on Messrs. Finlay, Muir and Company and Steel and Company, and asked them if they had any complaints to make or put forward any suggestions now that the recruiting season was closing. They said they had none ; and, as far as they knew, things had gone well with their Dooar and Terai coolies. Messrs. Finlay, Muir and Company, however, told me of a case at Purulia of Mr. Soubolle, a contractor for Assam, attempting to seize some 18 coolies their Baboo had collected for a garden in Assam. This case has been put by them before the Deputy Commissioner of Manbhoom.

15. After settling this question of the route, I then took in hand the pending cases of abduction of Dooar and Terai coolies that I had transferred to various district officers last September when closing my operations after six months under the orders of Government. The cases were Nos. 5, 6, 7, and 8 of the abstract contained in my report No. 105 E, dated 29th September.

The first two, Nos. 5 and 6, ended last January in conviction at Gya, and two out of the three accused, viz., Dowlut Singh and Gotab Singh, "arkatis," were sentenced under Section 342, Indian Penal Code, to one year's rigorous imprisonment and a fine of Rs. 200, or three months' in default ; the cases are now on appeal before the Sessions Judge. The third accused in these cases, one Kristo Baboo, a sort of contractor who had absconded, has since been arrested and now awaits his trial.

With reference to cases Nos. 7 and 8, I have had great difficulty in finding the abducted coolies. I now await funds to enable me to get these witnesses from Assam. As soon as they arrive, I will institute prosecutions at Gya.

Cases Nos. 12 and 21, and 30 are still pending trial with the magistrate of Ranigunge. Case No. 15 fell through for want of sufficient evidence. Case No. 31 ended in conviction, but was acquitted on appeal by the Judicial Commissioner on a point of law.

Case No. 2 (Lawton's) was up before the High Court for trial when my report of September went in ; it has recently been returned to the Judicial Commissioner

missioner of Chota Nagpore to try. The results of cases in Gya have had a very material effect I am told.

16. Of new cases I have had very few; in fact only three, and these are in connection with recruiting for Assam. I narrate them here:—

No. 1. Bhagulpore Case.—One Hular Kol of Khajori village in Banka sub-division of Bhagulpore district reported that late one night (last November) five men, Munshi Damok, Palakhdhari Sing, Ladhoo Sing, Delar Kahar, and Miroo Sing, dressed as policemen, came to his house, and represented that the sub-inspector of police of Kharagpore police-station, who was then at Mangra village inquiring into a case of cattle-killing, in which, on a previous occasion, some of Hular Kol's people had been challaned, required the attendance of certain female relatives of his to examine. The five accused took away five young women. Hular Kol early next morning went to Mangra and found the whole thing a myth. The police arrested three of the accused and examined various depôts at Howrah, Calcutta, and elsewhere, but could get no trace of the missing females. The case was then made over to me, and I am endeavouring to find the girls, as they are the principal witnesses. This is indeed a bad case, and shows the audacity of the arkatis.

One great difficulty I have to contend with in such cases is to find out the employers of these arkati. They now ignore everything. These girls have undoubtedly been smuggled away to Assam or Cachar.

No. 2.—A lad of about 12, son of Chamroo Dhobi of Gola, in Hazaribagh, was enticed away by an arkati, Kurma, assisted by the village chowkidar, taken to Ranigunge, from thence sent to Dholagram tea-garden in Cachar. I have written for the boy to be sent back to me, and will then work up the case.

No. 3.—Mr. Keefel, German Missionary near Hazaribagh, brought up a Santhali girl aged about 14, who, he said, escaped from a depôt at Domra for Cachar coolies, and claimed protection. The girl's story was that she was induced by a woman of her village to accompany her to the jungles to collect firewood. In the jungle they met a coolie sardarni. This sardarni then took her up, and induced her to accompany her to the depôt, promising to give her good wages, clothes, &c. The girl went to the depôt, and was locked up; after a while she relented and managed to escape. I went into the case and found that the girl went willingly to the depôt. Moreover, in the course of inquiry, she suddenly disappeared and was next found in the same depôt quite reconciled and willing to go to Cachar. She has but an old uncle, is unmarried, and no doubt has been induced to think she will do better elsewhere.

17. Cases of this nature still prevail, but not to the extent they did, owing no doubt to the fact that there is some one now looking after them. Young, unprotected, and, I may say, protected, girls are ever a prey for arkatis. They are in great demand up in Assam and Cachar, where they fetch very high prices, and contractors and their arkatis will, and do, use every device to get them.

18. As long as this uncontrolled arkatis system exists, I do not see how possibly malpractices of the above nature and others can be averted.

19. There is no doubt that a certain amount of fear has been instilled into the minds of contractors and arkatis, so called recruiters of supposed free emigrants for the Assam and Cachar gardens, by my being on the alert and wandering about working up cases; but will this exist when the present restrictions have been removed? I fear not; especially with the present calibre of the army of contractors and their arkatis who openly declare that in all matters of recruiting "one's conscience has to be put into one's pocket," and these same are working amidst, one may say, still an ignorant race, like the Oraons, Mundas, &c., of Chota Nagpore, unmolested by law.

The trade is too lucrative to them to give up without every struggle.

20. As regards sanitary arrangements that may have come under my observation lately, I regret to say that I have seen none. The few depôts that exist along this route lie here and there, between Hazaribagh and Deoghur, and

they are in their original state. The Dooar and Terai free emigrants do not go near depôts of any description. From the moment they start from their homes bound for the gardens, they encamp along the roadside on open isolated tracts, where they can get good water, and, if possible, under topes congenial to their natural status and feelings, and I must say it is a good thing.

21. The depôts are a perfect horror to such people. From my experience I must say I find that the free and open system adopted by the Dooar and Terai free emigrants *en route* is a very safe one, and certainly not conducive to any prevalent disease. They incur no risks, simply because they are always on the move, travel as they like, and lead a free open life.

22. All the supposed free emigrants recruited in Hazaribagh district by contractors are sent down in carts along the route to Giridi, from whence they are sent off in trucks by rail to Ranigunge and Calcutta. Some few also come this way from Ranchi.

I reeently received a letter from Mr. Driver, a recruiter for Assam and Cachar, residing at Ranchi, inquiring whether Government intended adopting any sanitary arrangements for coolies *en route*, and when: from this I gathered that none had up to date been attempted.

23. All the depôts I have come across are maintained simply for housing registered and supposed free coolies for Assam and Cachar. Some are used exclusively for sardari, *i.e.*, registered coolies, and these are accessible to officers of the district, and can be thoroughly supervised for sanitary purposes: while others are used for both descriptions of coolies, and are inaccessible legally, and it is in these that all the malpractices exist and disease germinate through massing of all descriptions of people. These depôts I know are kept in a shockingly bad state.

I must say that all depôts should be subject to the closest scrutiny of district officers and be accessible at all times.

Proper sanitary arrangements along the routes that contractors and arkatis, who recruit for Assam and Cachar, dispatch their batches, are absolutely essential. The system they adopt of collecting, housing, and dispatching coolies requires it; not so that for the Dooars and Terai coolies.

There is no prescribed route for the Assam and Cachar coolies; there should be one. At present they adopt numerous routes, but this has already been put before Government by Dr. Gregg.

COPY of Telegram from the Chief Secretary to the Government of Bengal to Mr. *F. H. Tucker*, dated 19th February 1889.

"THE Lieutenant-Governor is anxious for a further report showing any new facts about interference with recruiting for the Dooars, and any matters connected with the sanitary arrangements of recruiters which may have come to your knowledge. The report should be addressed to the Commissioner as usual but please send one copy to me direct."

(True copy.)

F. Harrington Tucker.

EMIGRATION, 1888-89.

PROPOSED Route for Free Emigrants from Chota Nagpore to the Dooars and Terai Tea Estates.

Divisions.	Districts.	Names of Principal Places along the Route.	Distances Apart.	Police and other Protection. Thannas.	Outposts.	Road Patrols.	Remarks.
Chota Nagpore	Lohardugga	Balomat	—	Police station.	—	4 road patrol posts.	
	Hazaribagh	Simaria	15 miles	ditto	—		
		Selai Chuk	16 ,,	—	—	3 road patrol posts.	
		Hazaribagh	14 ,,	Police station.	—		
		Tatigharia	16 ,,	—	—	5 road patrol posts.	* Meet Grand Trunk road.
		Bugoda*	16 ,,	Police station.	—		
		Dumri	13 ,,	ditto	—	2 road patrol posts	On ditto. On Giridi-road.
		Pertand	12 ,,	—	Police out posts.		
		Giridi	15 ,,	Police station.	—	4 road patrol posts.	Guarded by Giridi police.
		Mohesmunda	10 ,,	—	—		
	Sonthal Pergunnahs.	Booshai	11 ,,	—	—	Zemindari-road patrols.	Ghatwals of Sonthal Pergunnahs man this bit up to the borders of Bhagulpore district.
		Rowni	10 ,, (about)	—	—		
		Deoghur	3 miles.	Police station.	—		
	Bhagulpore	Jaipore	15 ,,	—	—	—	Along this bit there is only one outpost (police); no other protection, not even road patrols. Country is bad and should be properly manned. Arkatis abound about this part of the district. Cases of abduction still take place. This crossing is six miles north-west of Pirpointi outpost.
		Bousie	22 ,,	—	—	—	
		Dhorya	9 ,,	—	Police out-posts.	—	
		Usrihat	7 ,,	—	—	—	
		Colgong	16 ,,	Police station.	—	—	
Bhagulpore		Caragola Ghât	12 ,,	—	—	—	Here cross over the Ganges by Government ferry ghât; is manned by Caragola police.
	Purneah	Caragola	—	—	Police out-posts.	—	
		Gondwara	23 miles.	Police station.	—	—	
		Hurdah	10 ,,	—	Police out-posts.	—	This road is well protected, but not required. No recruiting goes on in the Purneah district; no emigration.
		Purneah	7 ,,	Police station.	—	—	
		Belgachia	10 ,,	—	Police out-posts.	—	
		Dengra	9 ,,	—	ditto	—	
		Ansuragurh	8 ,,	—	ditto	—	
		Kishenganj	11 ,,	Police station.	—	—	
		Gaisal	—	—	Police out-posts.	—	
		Alwatai	—	—	ditto	—	
		Chupra	— (about)	Police station.	—	—	
Darjeeling	Julpigoree	Julpigoree	25 miles.	Police station.	—	—	

F. Harrington Tucker,
Officiating District Superintendent of Police,
on Special Duty.

RESOLUTION.—JUDICIAL.

READ.—

LETTER No. 168 S, dated February 1889, from Mr. *F. H. Tucker*, on Special Duty, reporting the Results of his Work in superintending Emigration in Chota Nagpore during the Recruiting Season of 1888-89.

Calcutta, 22 April 1889.

THE period of Mr. Tucker's deputation on special duty is now nearly at an end, and the Lieutenant-Governor has much gratification in recording that a very large measure of success has followed the efforts made to suppress the evils that attended the system of unlicensed recruiting for tea districts in Chota Nagpore. In a previous report submitted in September last, Mr. Tucker gave a full and detailed account of the various cases that had arisen, and which he

was engaged in prosecuting in the local courts, or had already brought to a conclusion, and at the same time described the system pursued by the arkatis and others whose malpractices he had been deputed to watch, and, if possible, prevent.

2. In the commencement of the past recruiting season, Mr. Tucker was mainly occupied in the selection and supervision of a route for coolies travelling from Chota Nagpore to the Terai and the Dooars through Deoghur, Colgong, and Purneah to Silliguri. This route was finally approved of by the Lieutenant-Governor in February last, after he had consulted the Commissioners of the divisions along the line, and the Inspector-General of Police on the subject, and the orders of Government concerning it were published in a Resolution which issued on 20th February 1889. Mr. Tucker had, however, been previously authorised to make use of this route, and the coolies for the Terai and the Dooars having been using this line throughout the past recruiting season without any serious hindrance from unlicensed arkatis and without any outbreak of disease. Some difficulties were experienced at one time at the Caragola ferry, but they were soon overcome, and orders will be issued to the Commissioner of Bhagulpore on the subject to prevent their recurrence in the future.

3. After seeing that this route was being regularly used, and that the passengers on it were free from all danger of molestation, Mr. Tucker turned his attention to the cases that were still pending on the date of his previous report, and went on to inquire into such new cases as had arisen during the current season. All these cases appear to have been very thoroughly gone into; and although, from causes beyond Mr. Tucker's control, several of them fell through, yet a sufficient number were carried to a successful conclusion to serve as a very effective deterrent to those arkatis who had previously indulged in wholesale kidnapping. During the past six months there has been only one case of any real importance, and that occurred in the district of Bhagulpore in peculiar circumstances. The five women in this case who were carried off at night by some men who personated policemen, may or may not have been smuggled to Assam or Cachar; and although the case was a very serious one, it would not appear to be one of the series of systematic crimes that it has been Mr. Tucker's special duty to deal with.

4. Mr. Tucker has been able this year to pay some attention to the unlicensed recruiting for Assam, Cachar, and Sylhet, and his remarks on the route taken by these coolies, and on the complete absence of sanitary precautions against epidemics on the journey, confirm the very full information that the Lieutenant-Governor has received from other quarters on the subject. The proposals made are, however, dealt with in the sanitary legislation recently before the Bengal Council, and in the rules to be issued subsidiary to that legislation.

5. Mr. Tucker's work has for the present come to an end; and although it may become necessary to re-appoint him at the commencement of the next recruiting season, it does not seem advisable to extend his period of deputation through the hot weather and the rains. The Lieutenant-Governor takes this opportunity of recording his approbation of the manner in which Mr. Tucker has carried out the special duties entrusted to him.

ORDER.—Ordered that a copy of the Resolution be forwarded to the Inspector-General of Police for information.

Ordered also that copies of the Resolution be forwarded to the Commissioners of Chota Nagpore and Bhagulpore, and to Mr. F. H. Tucker for information.

By Order of the Lieutenant-Governor of Bengal.

J. Ware Edgar,
Chief Secretary to the
Government of Bengal.

No. 1941 J.

COPY forwarded to the Inspector-General of Police for information.

Nos. 1942-43 J.

COPY forwarded to the Commissioners of Chota Nagpore and Bhagulpore for information.

No. 1944 J.

COPY forwarded to Mr. F. H. Tucker for information.

By Order of the Lieutenant-Governor of Bengal,

R. W. Carlyle,
Under Secretary to the
Government of Bengal.

Calcutta: Judicial, 21 April 1889.

No. 88 J, dated Chota Nagpore, the 25th April 1889.

From *C. C. Stevens*, Esq., Commissioner of the Chota Nagpore Division,
to the Chief Secretary to the Government of Bengal.

I HAVE the honour to forward a copy of a report showing the work which has been recently done by Mr. Tucker, or is now pending in his hands.

2. I consider that Mr. Tucker has done good work, and that the sound practical sense, tact, and activity which he has shown have entirely justified his selection. At the same time this report clearly indicates in my opinion that much yet remains to be done, and that, if the restraint caused by Mr. Tucker's appointment were removed, there would be great danger of a reaction. I would therefore recommend that Mr. Tucker's appointment should be again extended. Besides the direct advantage which I have mentioned, when the work of revising the Inland Emigration Act is undertaken, the experience and detailed knowledge acquired through Mr. Tucker's investigations would be of very great service.

No. 204 S, dated Hazaribagh, the 23rd April 1889.

From *F. H. Tucker*, Esq., Officiating District Superintendent of Police, on Special Duty, to the Commissioner of the Chota Nagpore Division.

As my deputation ceases after the close of this month, *vide* letter No. 207—69-2, dated 6th November last, from the Government of India to the Government of Bengal, copy of which I received under cover of letter No. 358 J, dated 11th November, from the Chief Secretary to the Government of Bengal, I have the honour to submit a further report of how matters now stand with me, in continuation of my report No. 168, dated 28th February last.

I have nothing to add to my former reports beyond the following points:—

1st. That recruiting for the Dooars and Terai tea gardens ceased about the end of March. The last batch of coolies was sent off by me along the authorised route on the 28th March, without any complaint against arkatis and contractors.

The enterprise has proved a success, which is chiefly due to the stringent protective measures adopted along the defined route, in which I received the hearty co-operation of the district officers concerned.

2nd. With reference to paragraph 15 of my report No. 168, dated 28th February, the cases that were under appeal at Gya, viz., Nos. 5 and 6, "Charwa" and "Jetus," have all been upheld, which has been a great success, and resulted in putting a stop to malpractices in that district.

These cases dealt with some intricate and important points in connection with registration at Dhubri, and the repatriation of the abducted coolies previously reported to Government in my Nos. 176, 184, and 191, dated 14th and 18th March and 7th April.

Funds have recently been received and sent to Assam, and I now await the arrival of witnesses to conduct the case against Kristo Baboo, a coolie contractor of Gya, in connection with "Jetus'" case, and cases Nos. 7 and 8, viz., "Dunkerkesens" and "Bhowla," sidars of the Dooars and Terai. Case No. 12 is still pending at Ranigunge owing to some important witnesses summoned from Sibsagar not turning up. Case No. 21 is also pending owing to some fresh evidence required from Assam.

Case No. 30 ended in conviction at Purulia, under sections 147, 109, and 417, Indian Penal Code, and one accused was sentenced to one year's rigorous imprisonment and two others to six months each. I regret to have to mention that in the new case, that of Hulas Kol, who lost five young women, I have been up to date unsuccessful in finding the girls. I hunted all over Calcutta for them, made inquiries at Dhubri and Goalundo, but got no clue. I have now sent the descriptive rolls to the Deputy Commissioner of Cachar and Commissioner of the Assam Valley Districts, and asked them to have searches made in every garden for them.

In the case of Chumroo Dhobi, No. 2 (new case), I found the lad Pahla, but he turns out to be 18 years old, and is under an agreement for three years. The whole family are regular emigrants to Cachar. It was found that there was no chance of a criminal case, and so it was abandoned.

Under this paragraph I have now to add seven more cases since February of rather a serious nature. I narrate them below.

These cases undoubtedly show that where large numbers of contractors, agents, &c., for Assam and Cachar exist with their arkatis, a bold front is still shown against all measures to prevent malpractices, fraud, &c. Three of these cases have occurred at Giridih and Ranigunge and at Arrah. At all these places I may say contractors and agents swarm.

The case of "Karu Mungli" of Giridih has ended in conviction under section 343, Indian Penal Code, and the accused sentenced to six months' rigorous imprisonment each. Mongra Sirdar's case has been committed to the Sessions, and comes on for trial on the 8th May 1889.

Parbatia and Gendwa's cases of Arrah are up for trial before the joint-magistrate of Arrah.

Rakhal Sirdar's case is now under inquiry with me; also Kunjwa's, *i.e.*, Balki Ghatiwar's.

The following are brief narratives of the new cases:—

No. 1. Karu Mungli. His wife and child, who work in a coal-pit at Giridih, were returning from a visit to a relative, when Bulaki Arkati met them and entered into conversation. Finding out who they were, he at once induced them to following him to take up some very lucrative and pleasant work. Bulaki then took Karu into a wayside place, and then offered him a smoke. After the smoke Karu became very giddy and drowsy, and while in this state Bulaki took him, his wife and child away and put them into his depôt. A day or so after Karu's mother made inquiries and saw Karu and his wife and child close prisoners in the depôt, and at once reported the matter to the European manager, who was instrumental in getting the people released and reported the case. Three accused were arrested and tried and convicted under section 342 to six months' rigorous imprisonment. This depôt belongs to a Mr. Sarkies, agent for Calcutta firms, and who had a vile set of arkatis. He himself was convicted last year over the abduction of a girl. In this case he was absent at the time.

No. 2. Mangar Sirdar had, when in the dehat recruiting coolies for his garden in Sylhet, engaged his brother, brother's wife, and their two children to go to Sylhet with him, and sent them to Pachamba to meet him there while he got together some other coolies. The brother and his wife and children came to Pachamba, but were ignorant of where Mangar's depôt was, and so went about asking to be put on to the right path. When they were wandering about, an arkati made for them, and representing that he was of the same depôt, viz., Mangar's, took them and shut them up and kept them confined for three days. In the meantime Mangar returned to Pachamba, and not finding his brother made inquiries at every depôt, and was admitted into them to search, except "Rakhal Baboo's," but failed to find his brother. Suspecting that his brother was in Rakhal's depôt, he laid in wait to get some clue and succeeded in seeing his brother through a window, but failed to get his release. Rakhal one night smuggled the family away, and sent them to Dhubri. Mangar got scent of this, and with a peon went off to Dhubri and caught his brother and the family there. In the meantime he had sent a telegram to Finlay, Muir and Company, who telegraphed particulars to Dhubri. The Dhubri people gave him up Karu and his family, and he took them down to Calcutta, and eventually went off to his garden in Sylhet. The case was reported to me by Messrs. Finlay, Muir and Company, and I took up the inquiries and sent the contractor Rakhal and his two arkatis up for trial.

No. 3. Rakhal Sirdar. This sirdar was recruiting coolies for his gardens in North Sylhet, and went to Ranigunge with some coolies in quest of his agent. A Baboo representing himself to be his agent, took them in. Rakhal made over some coolies to him,

and

and returned to the dehat to get more. On his return with fresh coolies he learnt from this supposed agent that the first coolies had been sent to a wrong garden, and induced Rakhal to go off to this garden to recover them. Rakhal went, but on arrival found himself under an agreement to serve in this garden and was refused his release. He managed to bring his case to the notice of his master at new Chinatolla, who reported the case to the Commissioner of Burdwan, who sent it on to me. I have sent for Rakhal to make a full inquiry.

No. 4. Balki Ghatwar reported that his son, who was on a visit to an uncle, had disappeared, and he suspected that some arkatis had got hold of him. From some inquiries made, I found that a recruiter had been about, but had about that time disappeared and gone to Cachar. It is just probable he took the boy with him. I am having inquiries made in Cachar. The lad is said to be under 12 years of age.

Nos. 5 and 6. Two youngish females, Parbatia and Gandia, were enticed away from the banks of the Ganges river, where they had gone on a pilgrimage, by a couple of arkatis belonging to Ram Sewak, a contractor of coolies at Benares, who sent them to Calcutta to his employers to be sent to Assam as coolies. When the girls got to Calcutta, they complained that they would not go as coolies to Assam, whereupon they were sent back to Mogulserai, where they wished to go. The Calcutta firm then, it appears, wrote to Ram Sewak and censured him for sending such girls down, and debited him with the cost of the return journey. On alighting at Mogulserai, the two girls were met by two other arkatis of Ram Sewak's, who forcibly took them back to the depôt, kept them confined for two days, and then, under instructions from Ram Sewak, took them to Arrah to sell to a Huroo Baboo, an agent there. *En route* from the Arrah station to Huroo's place, the women made a row, and a constable came to their rescue and took the whole gang to the thanna, where the case came out. I inquired into the case at Arrah, and challaned the two arkatis, also Ram Sewak. I also requested that the latter individual should be tried for fabricating false evidence, insomuch as producing a false and forged permit for recruitment of free labourers granted to Sohadeo Arkati, one of the accused.

No. 7. A young unprotected girl, Shugia, who was earning her living as a menial, was met by Sohadeo Ojha, an arkati, who induced her to become his keep, but eventually put her into a depôt, and was taking her to Arrah to sell, when he was caught. This case was also inquired into by me and parties challaned.

All these cases show very distinctly that recruiters of free emigrants and their employés, such as contractors and agents, in the principal stations are still given to most disgraceful and outrageous practices, and require very severe handling. The cases of Parbatia, Gandia, and Shugia are disgraceful illustrations.

There is one feature, however, that has arisen in this coolie trade within the past few months which is rather to our advantage, and that is that some unscrupulous agents and contractors, failing to get at Dooars and Terai coolies, took to abducting coolies belonging to their brother contractors and agents, and thus carried the war into their own homes one may say. It has caused a general commotion amongst themselves and also amongst managers of gardens who employ them. Karu, Mangar, and Rakhal Sirdar's cases are illustrations of this. The conviction of a few influential contractors and agents here and there will have a very great effect in bringing others to their proper senses and methods of working. Ere long no doubt some at Ranigunge, the great centre of European and native agents and contractors, who form a very formidable obstacle to all attempts at preventing frauds and malpractices, will fall into the clutches of the law. It is only a matter of time. In the meantime, however, and until some legal measures have been adopted to curtail the ravages committed by arkatis and their employers, who have now enormous scope, the strictest watch and measures are very necessary to protect the poorer classes.

P.S.—I beg now to solicit early orders as to my future destination.

GENERAL DEPARTMENT.

Inland Emigration.—No. 176.

From *P. Nolan*, Esq., Secretary to the Government of Bengal, to the Superintendent of Emigration, Calcutta.

Sir, Calcutta, 11 June 1889.

I AM directed to forward, for your information and guidance, and for communication to persons interested in emigration to Assam, 100 copies of Act I. (B.C.) of 1889, recently passed by the Bengal Legislative Council, and of the rules under the Act published in the "Calcutta Gazette" of the 5th instant. You are requested to take steps at an early date to have corrected the defects

in the sanitary arrangements of depôts disclosed by the inspections which you have recently made, particularly in those situated at Ranigunge and Calcutta, which are the most important. It is believed that the agents in charge of depôts are ready to take all necessary measures which you may indicate to them, and that the requisite improvements will be effected without resort to compulsory measures, but if it should unfortunately prove otherwise in any case, your proper course will be to communicate on the subject with the district magistrates concerned.

2. The arrangements for the comfort and health of emigrants on the railway journey are second in importance only to those made in the depôts, if indeed any distinction can be made as to their comparative value; for if cholera is generated in depôts it is undoubtedly spread during the passage by train. This is a subject to which the attention of the Lieutenant-Governor has been for some time directed, and it appears from your letter No. 832, dated 27th April 1889, and the connected correspondence, that considerable improvements have been effected, while the agents are being consulted as to the expediency of conducting the journey on an entirely new system, with long halts for the preparation of cooked food and for repose. The conditions are to some extent modified by the issue of the present rules, and I am to request that you will now, in consultation with Major Boughey, R.E., manager of the Eastern Bengal State Railway, and with the Sanitary Commissioner, submit a complete scheme for the control of the journey by rail. The authorities of the East Indian Railway will doubtless afford all suitable assistance with regard to their line, which, however, is not, in regard to emigration, of so much importance as the State Railways under the control of this Government. The arrangements already made provide for preventing overcrowding by limiting the number to be transmitted daily, for the provision of suitable carriages, transmission by the most convenient trains, for hospital accommodation, medical treatment, and the cremation of the dead. It is now necessary to see that suitable food is provided on the route, and to reconsider the periods allowed for halts. Moreover, it would appear from the correspondence forwarded with the letter of the Commissioner of Rajshahye, No. 38 J, dated 6th April 1889, taken with the comments which you have made upon that communication, that when cholera breaks out the arrangements for cleaning carriages, conveying the sick and segregating them, are not adequate. Your report upon this subject should indicate what portion of the necessary expense should be borne by the railway authorities, and what should fall on the Labour Transport Fund.

3. I am also to forward, for your consideration in this connection, a copy of a letter from the magistrate of Dinagepore, No. 634, dated 16th May 1889, on the subject of the rules under Bengal Act I. of 1889.

I have, &c.
(signed) *P. Nolan*,
Secretary to the Government of Bengal

No. 183.

COPY, with copy of the Inland Emigrants Health Act [I. (B.C.) of 1889], and of the rules framed under it, submitted to the Secretary to the Government of India, Revenue and Agricultural Department, for information.

By Order of the Lieutenant Governor of Bengal,

W. Maude,
Officiating Under Secretary to the Government of Bengal.

Calcutta, Inland Emigration,
11 June 1889.

NOTIFICATION.

The 28th May 1889.—In exercise of the powers conferred by the Inland Emigrants' Health Act I. (B.C.) of 1889, the Lieutenant Governor is pleased to make the following rules, which will take effect from the date of their publication in the "Calcutta Gazette."

P. Nolan,
Secretary to the Government of Bengal.

RULES.

1. Every agent shall provide sufficient and proper accommodation in a suitable place for such emigrants as may be collected by him pending their removal to a labour district.

2. The magistrate of a district or of a division of a district, or a magistrate subordinate to him, or an officer of police above the rank of sub-inspector authorised by him in this behalf, shall visit and inspect such accommodation, and all agents and other persons in charge of such places shall afford to such magistrate or officer of police every facility for making such visits and inspections.

3. It shall be the duty of the district magistrate to see that every place used for the accommodation of emigrants is regularly and thoroughly inspected by an officer authorised in that behalf.

4. The sanitary arrangements in such places shall be regulated generally by the rules prescribed under Act I. of 1882 for depôts, subject to such modification as the magistrate of the district may consider necessary where the accommodation provided is for a small number of occupants, or is for temporary use only.

5. The agent shall be bound to carry out any order given by the district magistrate for the purpose of securing compliance with the rules for depôts referred to in the foregoing article.

6. An agent shall either himself accompany the emigrants engaged or assisted by him throughout their journey to the labour districts, or shall send with them some competent person.

7. When the number of emigrants (exclusive of dependents) proceeding on their journey to a labour district is more than 20, for every 20 emigrants so in excess, or for any number of emigrants less than 20 in excess, one additional agent, or person appointed by him, shall accompany the emigrants so proceeding.

8. Every agent, or person appointed by him as aforesaid, who accompanies emigrants to the labour districts shall provide such emigrants and their dependents (if any) with proper and sufficient food and lodging throughout the journey.

9. The agent, or person appointed as aforesaid, must take every care of the emigrants during the journey. He must give them a cooked meal before they start; and if the journey is likely to occupy more than six hours, he must distribute biscuits and sugar in the proportion of two biscuits and one ounce of sugar to each emigrant of, and above, 10 years of age, and one biscuit and half an ounce of sugar to each emigrant under the age of ten years; and if more than eight hours, dry provision must be supplied, such as choora, sutto, and the like, in such quantity as may be determined by the Superintendent of Emigration or other authorised officer. It must be seen that the clothing provided is worn by the emigrants whenever the weather renders such a precaution necessary. At the close of every day's march, or of a train journey, the emigrants must be properly housed, and provided with a cooked meal and wholesome supply of water for drinking and ablution purposes.

10. Any magistrate or any embarkation agent may, if himself a medical man, examine, and if not himself a medical man, send for examination by a medical man, any emigrant or dependent who, while on the journey to the labour district to which he intends to proceed, appears to such magistrate or embarkation agent not to be in a fit state of health to proceed thereto.

11. If such emigrant or dependent is on such examination declared not to be in a fit state of health to undertake the journey to the labour district to which he intends to proceed, the magistrate or embarkation agent may order him to be detained at such place as he thinks fit until the emigrant or dependent is in a fit state of health to undertake such journey, when he shall either be forwarded to such district or sent back to the place from which he came according as the agent or person appointed by him accompanying such labourer or dependent may direct.

While any emigrant or dependent is so detained, he shall be entitled to be fed, lodged, clothed and (if necessary) medically treated at the cost of the agent.

12. When an order under Rule 11 has been made with reference to any emigrant, any person dependent upon, and any labourer being the wife or husband of such emigrant, shall be entitled—

(*a.*) Until such emigrant is in a fit state of health to undertake such journey, to be fed, lodged, clothed and (if necessary) medically treated at the place where such emigrant is detained and at the cost of the agent.

(*b.*) If such emigrant is sent back to the place from which he came, to be sent back to such place at the cost of the agent.

When any such order has been made with reference to any dependent, the emigrant to whom he is attached shall thereupon, until such dependent is in a fit state of health to undertake the journey to the labour district, be entitled, if the emigrant so wishes, and if he or she be the husband, wife, son, or daughter of such dependent, to be fed, lodged, clothed, and (if necessary) medically treated at the place where such dependent is detained and at the cost of the agent; and if such dependent is sent back to the place from which he came, such emigrant shall, if he or she so wishes, and if he or she be the husband, wife, son, or daughter of such dependent, be sent back to such place.

If such emigrant is entitled and claims to be so fed, lodged, clothed, and (if necessary) medically treated, or to be so sent back, his or her dependents, and any other emigrant being the wife or husband of such emigrant, shall be entitled as the case may be.

(*a.*) To be fed, lodged, clothed, and (if necessary) medically treated at the place where such dependent is detained and at the cost of such agent until such dependent is in a fit state of health to undertake the journey to the labour district, or

(*b.*) To be sent back to the place from which he or she came at the cost of the agent.

13. If the agent or person appointed by him accompanying any emigrant or dependent fails to provide such emigrant or dependent with food, lodging, clothing, and medical treatment, or to send him back as required by Rule 11 or Rule 12, the magistrate or embarkation agent may order such agent or person to pay such sum as is necessary to provide such food, lodging, clothing, and medical treatment, or to defray the cost of the return journey of such emigrant or dependent, as the case may be, to the place from which he came, and, on failure for 24 hours of such agent or person to comply with such order, he may pay the sum specified in the order to or on behalf of such emigrant or dependent.

14. In the event of an emigrant or dependent dying on the journey to the labour district, the agent shall arrange promptly for the disposal of the dead body in a suitable manner. If he fails to do so, the district magistrate, or anyone appointed by the district magistrate in that behalf, may dispose of the dead body, and the cost shall be recoverable from the agent.

15. If an emigrant or dependent is attacked by cholera, small-pox, or other dangerous communicable disease, he shall, on recovery, be supplied with clothing by the agent on the scale provided in the case of contractors' labourers by the rules made under Act I. of 1882. If he fails to do so, the magistrate of the district, or anyone appointed by him in that behalf, may supply such clothing, and the cost shall be recoverable from the agent.

16. Whoever commits a breach of any of the above rules shall be punishable with fine which may extend to 500 rupees.

17. Any money recoverable from an agent under Clauses 13, 14, or 15 of these rules shall be realizable as arrears of revenue.

Act No. I. of 1889.

Passed by the Lieutenant Governor of Bengal in Council.

(Received the Assent of the Lieutenant Governor on the 22nd April 1889, and of the Governor General on the 7th May 1889.)

An Act to provide for the Sanitation of Emigrants during their Passage through Bengal to the Labour Districts in Assam.

Preamble.

WHEREAS it is provided in Section seven of the Inland Emigration Act, 1882, that, subject to the provisions of Section five of that Act, nothing in the Act is to be deemed to prohibit any native of India from emigrating to any of the labour districts otherwise than under the provisions of the Act;

And whereas natives of India emigrate in large numbers to the labour districts otherwise than under those provisions;

And whereas in the territories administered by the Lieutenant Governor of Bengal great sickness and mortality have occurred among such emigrants on their way to the labour districts:

It

It is hereby enacted as follows:—

Short title, extent, and commencement of Act.

1. This Act may be called the "Inland Emigrants' Health Act, 1889."

(2.) It extends to the whole of the territories administered by the Lieutenant Governor of Bengal, and

(3.) It shall come into force on the day on which it is published in the "Calcutta Gazette," with the assent of the Governor General.

Definitions

2. In this Act, unless there is something repugnant in the subject or context:—

"Agent."

"Agent" means a person who engages or assists a native of India to emigrate otherwise than under the provisions of the Inland Emigration Act, 1882.

"Dependent."

"Dependent" means any woman (not being herself an emigrant), child, or aged or incapacitated relative or friend, accompanying an emigrant with the consent of the agent.

"Emigrant."

"Emigrant" means a native of India engaged or assisted by an agent so to emigrate.

"Emigrate."

"Emigrate" denotes the departure of any native of India of the age of 16 years or upwards (other than a native of any of the labour districts) from any part of India for the purpose of labouring for hire in any of the labour districts otherwise than as a domestic servant.

"Labour-districts."

"Labour districts" means the districts of Lakhimpur, Sibságar, Nowgong, Darrang, Kámrúp, Goálpára, Khási Hills, Cachar and Sylhet in the Chief Commissionership of Assam.

Power to make rules for protection in Bengal of the health of emigrants on their way to Assam.

3. The Local Government may from time to time make rules with respect to any of the following matters, namely:—

(*a.*) The routes by which emigrants and their dependents are to travel on their way to any of the labour districts;

(*b.*) The depôts and rest-houses to be provided by, and at the cost of, agents for the accommodation of emigrants and their dependents on or off such routes, and the sanitation and superintendence of such depôts and rest-houses;

(*c.*) The mode, and the numerical strength of the parties in which emigrants and their dependents are to travel, the arrangements to be made by, and at the cost of, agents for facilitating their journey, the length of their daily marches by road, and the provision to be made by, and at the cost of, agents for the carriage of women and dependents, and of emigrants suffering from sickness;

(*d.*) The food to be supplied to emigrants and their dependents by, and at the cost of, agents, and the provision to be made by, and at the cost of, agents for the proper cooking of such food;

(*e.*) The water-supply to be maintained by, or at the cost of, agents for the use of emigrants and their dependents;

(*f.*) The clothing to be supplied to emigrants and their dependents by, and at the cost of, agents;

(*g.*) The hospital accommodation, medical treatment and maintenance to be provided by, or at the cost of, agents for emigrants or their dependents suffering from sickness on their way to any of the labour districts, and the arrangements to be so made, and maintenance so provided, for any emigrant and his dependents where either he or any of them is so suffering;

(*h.*) The disposal of dead bodies of emigrants and their dependents at the cost of agents;

(*i.*) The powers of entry and inspection which may be exercised for the purposes of any rule under this Section, and the authorities by whom those powers may be exercised;

(*j.*) The mode of compelling agents to discharge their liabilities under any rule under this section, and

(*k.*) Generally the giving effect to the purposes of this Act.

(2.) In making any rule under this section, the Local Government may direct that a breach of it shall be punishable with fine which may extend to 500 rupees, and when the breach is a continuing breach, with a further fine which may extend to 50 rupees for every day after the first during which the breach continues.

(3.) If a rule under this Section authorises an officer of the Government to expend any public money in the event of default on the part of an agent to comply with any rule under that Section, the money, together with simple interest thereon at the rate of 6 per cent.

cent. yearly, shall be recoverable from the agent under the provisions of the Public Demands Recovery Act, 1880.

(4.) Nothing in the last preceding clause shall be construed to bar a prosecution for any breach of a rule where the breach thereof has been made punishable in pursuance of the power conferred by clause (2) of this Section.

MEMORIAL OF THE INDIAN ASSOCIATION, CALCUTTA.

From the Secretary to the Indian Association to the Secretary to the Government of India; dated Calcutta, 12th April 1888.

Sir,

I AM directed by the Committee of the Indian Association to submit the following remarks, for the consideration of his Excellency the Viceroy in Council, in connection with the condition of the coolies employed in the tea-gardens in Assam, and the system by which they are recruited :—

The position of coolie labourers in the Assam tea-gardens, and the system by which they were to be recruited, were definitely fixed by the Inland Emigration Act of 1882, which, however, left unrepealed the previous enactment of 1859. The Act of 1882 was passed in the face of strong opposition on the part of the native community led by the late Kristo Das Pal, who was then member of the Viceregal Council. Six years have elapsed since the enactment of this law, and the time has now come when its operation may be reviewed by the light of accomplished facts, and when a sufficiently trustworthy opinion may be formed as to whether it is not desirable, in the interests of the coolies, and perhaps also of their employers, to allow the emigration of coolies into Assam to be regulated by the law of supply and demand without the aid of legislation. The complaints with regard to the system of recruiting, and the treatment which the coolies received in the tea-gardens of Assam had been numerous; and the Association in 1886 deputed its Assistant Secretary to make personal inquiries, with the result, as the Committee hope to be able to demonstrate, that the gloomiest anticipations of those who opposed the Act of 1882 have been more than fully realised. It will be convenient to discuss separately each of the subjects to which the Committee desire to call attention. In the first place, they would respectfully invite the attention of the Government to the system of recruiting, which is a fruitful sort of oppression. In the representation which the Committee of this Association made to the Government of Lord Ripon when the Bill, which subsequently became Act I. of 1882, was under consideration, they pointed out that the system of recruiting was liable to grave abuses arising from the ignorance of the labourers, and their utter helplessness and inability to protect their interests against the arts of unprincipled recruiters who deceived them by false hopes and delusive promises to enter into contracts, the real nature of which they did not often sufficiently understand. The facts which have subsequently been brought to light, and which have from time to time been published in the newspapers, confirm the gravest apprehensions that ever were entertained with regard to the working of this part of the law. The Committee will quote two cases from the many that have appeared in the newspapers in this connection. In the first place, the Committee would refer to the judgment of the deputy magistrate of Berhampur in a case where three recruiters were punished with imprisonment for having kidnapped a young girl for service in Assam :—

Srisundori Bagdi, complainant,

v.

(1.) Gopee Mohun Mitter,
(2.) Kaminy Peshker,
(3.) Saurobhy Dossy,
} accused.

Decision.

The case for prosecution is that the accused kidnapped Nishoda, a girl of 14 years, from the lawful guardianship of her mother, the complainant. It appears that Kaminy (accused No. 2), took Nishoda to the house of accused No. 1. Accused No. 1 sent Nishoda with accused No. 3 to Calcutta for being transported to Assam to work in a tea-garden. Nishoda states that she was told that she will be employed in Calcutta, whereas accused Nos. 1 and 3 allege that she agreed to go to Assam; accused No. 2 states that the other two accused proposed to take Nishoda to Calcutta, and she agreed to go, notwithstanding she (accused No. 2) prevented her. Though Nishoda's consent is of no consequence, as

she

she is a minor, yet it appears that deception was practised on her. No attempt has been made on behalf of the defence to prove complainant's consent, or even that of her daughter. The Civil Surgeon in his deposition says that Nishoda is only 14; there is in fact no doubt that she is under 16. The taking is also proved and admitted; so there remains to be seen whether or not Nishoda was taken from the lawful guardianship of her mother, and without her consent. Though Nishoda led an immoral life, yet it is proved that she was under the guardianship of her mother; it is not inconsistent with any law for a prostitute, who is a minor, to have a guardian. Kaminy (accused No. 2), being a neighbour of Nishoda, must have known that her mother was alive, and in all probability she (Kaminy) communicated this to the other accused. Moreover, from the statement of accused No. 3 (Saurobhy) it appears that she knew Nishoda before, and accused No. 1 is paramour of accused No. 3. Again, it has been held by the Bombay High Court, in the case of Umshodaleoksh, that a person who takes a minor without inquiring whether she has a guardian is punishable, if, as a matter of fact, she had a guardian, though the accused did not know that she had. It is not even urged by the defence that Nishoda was taken with the consent of her mother, and no evidence is adduced on this point by the defence. Accused Nos. 1 and 3 are recruiters independently of the Emigration Act, and accused No. 2 acted as their agent in enticing the girl; all of them are therefore equally guilty. Of the three witnesses examined on behalf of the defence, Amulya Raton Dhur is quite unworthy of belief, and he contradicts himself on a point which shows that he is a perjurer; the other two witnesses do not help the defence in any way. The Court find all the accused guilty under section 363, I. P. Code, and directs that each of them be rigorously imprisoned for three months. The Court further directs that Gopi Mohun Mitter is to pay a fine of Rs. 50, and Saurobhy Rs. 25, and Kaminy Rs. 10. In default of payment of the fine each is to suffer an additional imprisonment for a month.

The sentence was appealed against. The Sessions Judge confirmed the conviction, and though he held that the offence was technical, he remarked that "the mother's guardianship could not have been more grossly violated." Here is another case where a man, in comparatively better circumstances, was duped by the arts of the recruiter. The facts are these:—

Kessur Sing Nepali, was a peon attached to the Mungpoo Post Office, in the district of Darjeeling, and used to get a salary of Rs. 10 per month. But the work of post-peon being of an arduous nature, Kessur Sing, in an evil moment, thought of resigning his post, if he could secure a better one. Thus, with a view to improve his condition, he took leave for a few days and came down to Silliguri. There he met with the brother of one Lutchman Sing, jemadar. Lutchman was described by this man as a person of considerable influence in Assam, who could easily secure for Kessur Sing a suitable appointment on a salary of Rs. 15 or Rs. 20 per month if he would but go there. The offer was too tempting for Kessur Sing, and he had no reason to suspect that he was being decoyed by this recruiter; so he forthwith went back to Mungpoo, resigned his appointment there, and having secured from the postmaster a certificate of good character and efficiency, he returned to Silliguri with his wife. From Silliguri the party came down to Julpiguri, where they met Lutchman Sing, who took from them Rs. 5 as their railway fare, and brought them to Dhubri, where they were lodged in the coolie depôt. Kessur Sing, on solemn affirmation, stated before the Deputy Commissioner of Darrang, that, soon after they were lodged in the depôt, "a Babu took down our names and gave us a blanket, two *coortas* (shirts), and two *dhotees*, and a tin mug. I did not wish to accept these things, but the jemadar, Lutchman Sing, said they are given us as a present by the Sirkar, and returned me the Rs. 5 I had given as my railway fare. We got no other money, and this was my own. I never saw any agreement, and I never signed any agreement. I can sign my own name. No *saheb* asked me any question. A *saheb* came on horseback to the depôt once, but left without saying anything. It was not till I got on board the steamer, when the doctor said you must drink here and not there, that I found out I was an emigrant." There was an exciting scene on board the steamer, where Kessur Sing refused to drink water drawn from the river by the Mahomedan crew. It was difficult to persuade Kessur Sing to give up his caste, and the incident of his refusal created no small commotion. A gentleman, who was a passenger on board the steamer, having been drawn to the scene of the tumult, and having acquainted himself with all the particulars of the case, felt interested in it. When the steamer reached Tezpur, Kessur and his wife were landed on shore. The gentleman followed them to the coolie depôt, where they were lodged for the night. Having thus ascertained the place, he went to a kind-hearted pleader of the town and gave him all the particulars of the case. The pleader was good enough to take up the cause of poor Kessur Sing and his wife. He went to the Deputy Commissioner's house and instituted a suit for their release. The Deputy Commissioner made a reference to the Deputy Commissioner of Dhubri on the subject, and, on the receipt of his reply, passed, on the 11th of August 1886, the following order on the petition of Kessur Sing and his wife:—

No. 1005.

Order of the Deputy Commissioner of Darrang. Passed on the petition of Kessur Sing, Nepali, and Mussamud, Rupkanotee. Read letter 266 E., dated 7th August, from the Deputy Commissioner, Dhubri. From the statements contained in this letter it is quite

clear Kessur Sing and his wife entered into agreements, and his petition to the effect that he was deceived, cannot be entertained. He must therefore proceed to the garden for which he was recruited.

A. E. Campbell,
Deputy Commissioner, Darrang.

Dated 11th August 1886.

Even if it be admitted that Kessur Sing and his wife had entered into any agreement, it is quite clear that they did so under misrepresentation, and were, according to law, justly entitled to have their contracts cancelled. No man in his senses would have ever resigned a comparatively lucrative and respectable post for the purpose of being employed as a coolie in a tea garden far away from his home on half his original pay, unless some kind of fraud had been practised upon him. Yet their application was dismissed.

The next case to which the Committee would refer is still more painful. The facts are these, as related by a correspondent:—

A batch of emigrants arrived here (Dibrugarh) a few days ago. Like those coolies whose circumstances require them to be taken, on their arrival, before the district magistrate for orders, this particular batch was likewise, on landing st Dibrugarh, taken to the cutcherry before the Deputy Commissioner. The batch was composed of three helpless women of the gentleman class; their names are, Ahlady, Shoshi, and Deologni. It was only from the first two that we could gather information as to how they became victims of the slavery act of the most highly-civilized British Government; whereas the last woman, Deologni, having become insane during the voyage, could tell us nothing about her, and the little that could be gathered concerning this woman was only from her two associates. Ahlady, *alias* Khanto, the daughter of a Brahmin, and Shoshi, a Boistab woman of the Hooghli district, were bathing in the Ganges at the Juggurnath Ghaut in Calcutta. In course of conversation, Ahlady told Shoshi that she had a relative somewhere at Burra Bazaar whom she would like to see if she knew the place where he lived. Hearing this, some one near them volunteered to show them the place, and another woman corroborated what this man said. Thereupon the volunteer brought a hackney, took Ahlady and Shoshi therein, and drove them off. This was at about 10 a.m.; after driving from place to place, at last, at about 5 p.m., they were brought into a house where they were confined for some five or six hours, and afterwards again put into a coach and brought to the Sealdah Station, where, to their utter astonishment, they were locked up in the train, which then left for Goalundo and Dhubri. Breaking their journey now by train and then by steamer, they at last arrived, as they said, at a place (Dhubri) and taken to some houses where they were thrust into the company of innumerable ragged, half-clad, dirty men, women, and children. The next day they were conducted to the river ghaut and filed before a Sahib, and then put on board a steamer which, after five days, arrived at this place (Dibrugarh). It was on board the steamer that Ahlady and Shoshi got acquainted with Deologni, who told them that she was a Rajpoot, and had two children at her home; one day, quarrelling with some one at home, she, in the heat of anger, came out to the road, where she was accosted by a man who, pretending to console her, put her into the train and conveyed to where God knows. Deologni was in her senses, but always crying for her children, till the second day after they were shipped, when suddenly she became mute and showed signs of insanity. For eleven days they did not eat anything: on board the steamer the doctor used to give them sweetmeats, which, however, they did not take; when disembarking at Dibrugarh, Deologni suddenly became a tigress, and belaboured the steamer-doctor with kicks and blows. The other day merciful death put an end to all her miseries, when it had been arranged to send her down to the Tezpore Lunatic Asylum. The tears of these poor women would move the heart of anybody; they would cling round the legs of anyone who would kindly ask them their circumstances. Our kind-hearted Deputy Commissioner detained them for some two days till the receipt of their contracts, but when these showed nothing to authorise his interference, they were taken to their destination, the Khobong Garden, in this district.

The case has been reported in several newspapers. And although the facts were set forth with every circumstance of detail which might lead to the correction of any error, if in any respect such correction were possible, the statement of facts has not been contradicted, and the Indian public have read with horror that, by reason of the system of recruiting which offers ample facilities for the practice of fraud, three women were decoyed into Assam for service in the tea-gardens, all losing their caste, and one dying the miserable death of a maniac. That it should be so is not at all remarkable, considering that little or no care is bestowed by the registering officer to explain to the coolies the nature of the contract into which they may enter. The law provides that an emigrant should "understand the contract as regards the locality, period, and nature of the service and the rate of wages and the price at which rice is to be supplied to him, that the terms thereof are in accordance with the law, that he has not been induced to agree to enter thereunto by any coercion, undue influence, fraud, misrepresentation,

tation, and that he is willing to fulfil the same." Before a labourer is registered it is therefore necessary that the registering officer should satisfy himself that he understands the drift of his contract as regards the points referred to above. But the manner in which this part of the registering officer's duty is performed precludes the possibility of the terms of the contract being clearly explained to the coolie or being understood by him. Like regiments of soldiers, the coolies are made to stand in groups before the registering officer. When they thus stand in regular lines, one after another, the registering officer begins his examination, and they are examined *en masse*. The questions that are usually put and the answers that are usually given are appended below:—

Questions of the Registering Officer.	Answers given by the Coolies. (Men and women in one voice.)
1. Where do you go?	1. We go to Assam.
2. For how many years do you go?	2. For five years.
3. What work will you do?	3. Men,—we will hoe. Women,—we will pick up tea-leaves.
4. What will be the rate of your wages?	4. Men,—five rupees for the first three years, and six rupees for the last two years. Women,—four rupees for the first three years, and five rupees for the last two years.
5. At what price will rice be supplied to you?	5. At three rupees a maund.
6. If the price of rice be more than three rupees who will pay the difference?	6. The sirkar (meaning the employer) will pay.

The inquiry then comes to a close. It is obvious, the Committee submit, that an inquiry conducted in such a fashion and under such conditions must defeat the purpose which the law has in view, viz., to provide the necessary safeguards for the protection of the coolie. The stereotyped answers given to stereotyped questions by a crowd of ignorant people do not imply that they have really all taken part in the replies that are given, or that even those who have taken part in them have understood their drift. It would be absurd to hold that, unless the necessary explanations were forthcoming, they would even understand where Assam was—whether it was a Province or a town, or how far distant it was from their homes, or the sort of work which they would have to undergo in the tea-gardens. If the account which they have received regarding the manner in which the contract is explained to the coolies is correct, the Committee have little hesitation in affirming that it is an empty form which is gone through, that while the letter of the law is preserved, its spirit is completely broken, and that the coolies are not much wiser after their being brought before the registering officer than they had been before that event. Indeed, the Committee of the Indian Association have been informed that in many cases the coolies, before they are brought before the registering officer, are regularly taught by the officers attached to the depôts to return the stereotyped answers to the stereotyped questions which have been quoted above, and that those who in any way prove refractory are either kept back in the depôts and there shut up as prisoners till they consent to sign the agreement, or if they are brought before the registering officer they are pushed back towards the rear, so that from behind other people they may not have an opportunity of speaking to him. The Committee are aware that these are grave allegations to make; and they have ventured to put them forward upon the evidence which they have been able to collect by inquiries made in Assam and by their agents, and they hope that the Commission of Inquiry which they will have prayed for in this letter will sift this and other matters connected with coolie emigration into Assam and suggest the remedy.

Such then are the circumstances connected with the system of recruiting which is now followed. But once arrived in the garden the lot of the coolie in too many cases is such as to deserve the earnest attention of the Government. The rate of mortality is a sufficiently good measure of the conditions of life in any given situation. When mortality is high in a given situation it is obvious that there is more than ordinary neglect of the laws of health, that it proceeds from overwork or from insufficient or bad food or from exposure to all kinds

of weather, or from all these causes combined. Be the causes what they may the fact cannot be gainsaid that in most of the gardens where coolies are employed and under contracts supervised by Government officers, the rate of mortality is very high. The Committee would quote, in support of their views, no less an authority than Dr. Eteson, Deputy Surgeon-General and Sanitary Commissioner of Assam, who in his report of 1884 observed :—

The condition of the emigrant labourer alters greatly for the worse immediately he is landed from the river-steamers and discharged from Government sanitary protection. In many important respects he is thenceforward left to his own resources; in others he receives only modified and often injudicious care; in all the conditions of life he is less favourably placed than before. His food is no longer dietetic and carefully cooked; his clothing and bedding (beyond a blanket) is left to himself to provide; his lodging is often inadequate against the variations of climate; his work exposes him to all weathers, and often to dangerous disease-causes; he is unprotected against drinking to excess; nay, he is, in many instances, almost tempted to it; even if he falls ill, the hospital is a name only; he may receive medicine either by daily attendance at a dispensary or given to him in his hut, but the care of suitable food and adequate restoratives and nursing are, generally speaking, unknown. It is no wonder therefore that the rate of sickness and mortality among the tea-garden labourers as a class has been always very great; that in many gardens it is above what is counted a frightful epidemic in civilised countries; and the subject has been an unceasing anxiety to the Government of the province.

The Committee venture to point out that these are the observations of the highest medical authority in Assam, and they refer to permanent conditions in the life of the coolie in the Assam tea-gardens, irrespective of any particular year or of any particular locality. Indeed, since the passing of the new Emigration Act in 1882, the mortality in the tea gardens has largely and steadily increased. The death-rate, which followed a downward course from 1878 to 1881, began to rise in 1882 when it was 37·8 per thousand. In 1883 there was a further rise to 41·3; and in 1884 it rose to 43·2, notwithstanding the assurance given to the Government of India in 1883 by Mr. Elliott, then Chief Commissioner of Assam, "that no exertions will be wanted on the part of the Civil and Medical Staff of the Assam Commission to wipe out the blot on the administration of which this terrible mortality is the cause." As regards sickness and mortality among labourers in tea-gardens in 1885, the Sanitary Commissioner observes that "nothing has occurred during the year to modify the conclusion published in the closing paragraphs of Appendix A. of the Sanitary Report for 1884." While adult life is thus exposed to unusual risks, and a heavy rate of mortality prevails among adult labourers, it may readily be assumed that child-life which, under ordinary circumstances, requires tender care and nursing would be exposed to even greater risks. That such is the case will appear from the frightful tale of infant mortality which the records of sanitary officers disclose. We thus find that in 1884 the death-rate among children in tea-gardens had risen from 39·7 to 44 per thousand. While the death-rate increased the birth-rate gradually fell; in 1882, it was 39·7 per thousand; in 1883 it was 34·3, and in 1884 it further decreased to 32·7 per thousand. The Chief Commissioner of Assam thus explains this excessive mortality :—

Neglect on the part of the women who are unable to do their daily task and at the same time look after the children, and who cannot afford to do no work and stay at home, accounts in a great measure for the high mortality among children.

It will thus be seen that the conditions of coolie life in the Assam tea-gardens are such, their lot is so hard, that both husband and wife are obliged to go on with their daily task-work, and the wife at a time when the duties of maternity render it imperatively necessary that she should attend rather to the nursing of her new-born offspring than to her work. The Committee can hardly conceive of any condition of labouring life where the labourer is so badly provided for, that even the duties of the mother have to be neglected to meet the demands of her employers. The remarks of the Chief Commissioner which the Committee have quoted afford unexpected but painful commentary upon the condition of coolie life in the Assam tea-gardens. In this connection the Committee would quote the observations of the Civil Surgeon of Dibrugurh which strikingly bear out the view suggested by the remarks of the Chief Commissioner of Assam. The Civil Surgeon of Dibrugurh says: —

"The conditions of child-life in a tea-garden are altogether so unfavourable that the wonder is how so many children succeed in passing childhood's stage. A coolie woman gets a variable amount of leave for her confinement. After that, if the infant is not strangled at birth, she must either take it out to her work, or leave it behind, with no one to look after it. In the former case tied to its mother's back or left in the nearest drain, it is exposed to the extreme of heat and cold, to wind and rain; in the latter the child

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gets half-starved and so paves its way to a death from some bowel-disorder, or succeeds in cutting short its career by a fall or a roll into the open fire. So alive are coolie women to these facts that, to avoid the trouble of bringing up their children under such circumstances, abortion is frequently resorted to, and daees, who produce it, often find their business a very profitable one."

In noticing the excessive mortality among children he again observes in his report of 1886:—

"Turning to an actual analysis of the figures, two facts are noticeable, and one more than another. This is the large number of deaths among the children. Of fifteen reported deaths among the non-Act coolies, fourteen are of children. This is directly traceable to the first of the causes of sickness I have mentioned. Women are most needed during the plucking season, which is at the same time most sickly. It is not to be wondered at, therefore, that they are not allowed the time they need to look after their children, or that the latter are neglected."

The Committee would beg to call the pointed attention of the Government to the remarks of the Civil Surgeon where he says that "so alive are coolie women to these facts that to avoid the trouble of bringing up their children under such circumstances abortion is frequently resorted to, and daees (midwives) who procure it often make their business a profitable one." A more revolting and at the same time a more painful admission it is difficult to conceive. So hard is the lot of infantile life in the tea-gardens, and so difficult it is to bring up children in these gardens that coolie mothers, rather than face the difficulty of rearing up children, sacrifice the tenderest of human feelings, those of the mother. No state of recognized slavery could be worse; and the Committee of the Indian Association would earnestly pray for the appointment of a Commission with a view to the reconsideration of the law which makes such things possible.

It is not indeed a matter of wonder that there should be this high rate of mortality both among children and adults, considering the hard work imposed upon the coolies in the tea-gardens. Under section 115 of the Emigration Act the schedule of work is framed by the planters themselves, and though subject to revision by the inspector, the visits of that officer are few and far between, and he can scarcely be expected to exercise any effectual check over the work which the planters in their interests may think fit to allot. The Committee understand that the work has been considerably increased since the depression of tea-industry.

Cases of hard treatment of coolies by planters, to call them by no severer name, have been frequently reported in the newspapers, and facts have come to light which warrant the assumption that these unfortunate people do not meet with the measure of protection to which they may be said to be entitled. In cases between planters and coolies, the Committee regret to have to observe that too often the interests of justice and the interests of the weaker party are not sufficiently cared for. From the Emigration Report of 1884 the Committee find that in the sudder sub-division of Cachar, "the only serious offence committee by coolies was a riotous attack on the manager of the Bowalia tea-garden The assault was a very serious one, the manager being kept a prisoner for some hours in his house; but he had to a certain extent brought the attack on himself by defiantly caning a boy in the presence of the assembled coolies. About a dozen men were sentenced to various terms of imprisonment from three days to one year, and the manager was fined Rs. 200. The judge upheld the sentences on the coolies, but reduced the fine on the manager to Rs. 50." The same report mentions another case in which the assistant manager of Chinkuri tea-garden was besieged in his bungalow. No assault, however, was committed, and the trying magistrate said that "he was unable to find any reason for the disturbance, save a dispute with the Babu of the out-garden. A number of women, as well as men, were brought up before him, but he thought in this case a warning to the women and a month's imprisonment for some of the men was quite sufficient." The Committee venture to make a few remarks upon these cases. A tea-planter who had defiantly flogged a boy in the presence of the assembled coolies was let off with a fine of two hundred rupees, which was again considered to be a little too heavy by the court of appeal and was reduced to Rs. 50; while, on the other hand, though the coolies made an attack upon the manager under very strong provocation, they were punished with imprisonment, and the sentence in some cases was the maximum punishment provided by the law. In the second case, though no assault was committed, a number

of coolies were sentenced to a month's imprisonment for beseiging the assistant manager in his bungalow. When this is often the character of the administration of justice in Assam in cases between planters and coolies, it is natural that a coolie would not venture to institute a suit against his master and undergo the expenses incidental to it, even though he might manage to escape from the garden. There is another case to which the Committee would refer with a view to illustrate how justice is sometimes administered in these cases. On the 10th of October 1885 one Sheikh Sukari petitioned the magistrate of Sibsagar for a discharge certificate under Section 141 of Act I. for the release of his son, Sheikh Khodadin, from the garden of one Mr. Hosack of Diron tea estate. The Assistant Commissioner, Lieutenant H. R. Browne, who was the trying magistrate, wrote a letter to Mr. Hosack giving him the substance of the application, and calling upon him to make his defence. But Mr. Hosack, without sending him a reply, wrote to the Deputy Commissioner as follows:—

"I beg to enclose a letter received from the Extra Assistant Commissioner, Sibsagar. I am not aware that he is acting within his powers, and therefore put the matter before you; at the same time I beg to bring to your notice that a coolie named in his letter is not an Act I. coolie, but a domestic servant. The man denies having put in the application for release; he was in the factory on the date the application is supposed to have been made. Should feel obliged by your looking into the case, as it seems to me that it has been done simply to give me annoyance."

The letter affords an illustration of the relations which too often exist between planters and the administrators of the law in Assam, and which, it need hardly be said, is inconsistent with that firm and impartial administration of justice which alone can afford the necessary protection to the helpless coolies. On receipt of this letter, the application of the father was summarily dismissed on the 28th October without even calling for evidence. The worst part of the affair has yet to be told. It appears that, after the dismissal of the case, the father somehow communicated to the son the purport of Mr. Hosack's letter, and the latter having managed to escape from the garden applied on the 2nd November to Lieutenant Browne to grant him a discharge certificate. The same day the following order was passed:—

"Mr. Hosack has already written to say that complainant has no contract; complainant is told that he can leave the employ if he wishes to.

"*H. R. Browne,*
"Assistant Commissioner."

But on the next day, the 3rd of November, one Pator Gogoi, on behalf of Mr. Hosack, made an application under Section 175 to Lieutenant Browne for the arrest of Sheikh Khodadin on a charge of desertion. A warrant was immediately issued, and the man having been arrested was put on his trial the same day, and was summarily convicted to undergo a sentence of seven days' rigorous imprisonment. It appears from the judgment that if Mr. Hosack had not asked for the accused "to be lightly treated," he would have been more severely punished. What could be stranger or more humiliating than this solemn farce enacted in the name of justice. The judge forgot that this sentence passed on the accused completely upset his order of the previous day. It was he who had told the accused "that he can leave the employ if he wishes to," and the next day he upsets the order on the strength of a document whose existence Mr. Hosack himself was not aware of!

In another case a coolie, Bhola Kachari by name, was convicted by Mr. Arbuthnot, the Assistant Commissioner of Jorhat, although the contract was not drawn up in conformity with the requirements of Section 9, Clause C. of Act I. of 1882, and its schedule, and of Section 111, as to registration. The High Court, in setting aside the conviction, observed:—

"It appears to the judges that, owing to Mr. Arbuthnot's mistake, the accused in this case has undergone several months' imprisonment for which there were no legal grounds."

The learned judges, Justices Cunningham and Chandra Madhub Ghose, called for an explanation from Mr. Arbuthnot.

It is unnecessary to multiply these cases; but the cane, it is to be feared, is too frequently employed in many of the tea gardens in Assam. A high officer of the Assam Government, while on an incognito visit to a garden, saw that the manager, having tied the hands of a coolie to a tree, was caning him most

most unmercifully. In 1884 Mr. Francis, manager of the Dygoroon tea garden, was tried on a charge of grievous hurt, for having struck a coolie women with a cane which caused her death. Dr. Conceicao, the civil surgeon of Golaghat, who made a post-mortem examination, said that "death was the result of congestion of the kidneys, which he was of opinion had been set up by violence applied to that part of the body where the kidneys are situated." But Mr. Francis called a witness to show that he "did not strike the woman, but only lifted his cane and threatened to strike her." Mr. Francis was eventually acquitted.

The next mode of punishment, which is sometimes resorted to, is the lock-up. The Committee have been given to understand that it is the fermenting house which is generally used for the purpose. In 1884 two officers of the Dum-Duma tea-estate, in the district of Dibrugurh, named Babus Kedar Nath Ghosh and Sasadhar Barua, were charged with the offence of keeping a man under illegal restraint, and in this case the existence of a dungeon in many tea gardens was proved by the witnesses for the defence. The Assistant Commissioner, Mr. Greenshield, who tried the case, expressed, in his judgment, great surprise and strong disapproval of such conduct on the part of the planters.

In December 1886 the following telegram appeared in the newspapers, which goes to support the view which the Committee have here put forward:—

"Having been systematically maltreated, some 110 coolies, men and women, came in a body on the 9th instant from the Rajabarie tea garden, and made complaint before the Assistant Commissioner, Mr. McLeod, who immediately sent out Lieutenant Gurdon to the garden, and asked him to report about the coolies' complaints. Lieutenant Gurdon has found some of the serious charges to be correct, namely, the existence of a dungeon, where absconders and other recalcitrant coolies are confined and tied down with ropes. The manager, Mr. Eyre, admitted having the dungeon, and having cut a coolie with a cane."

Helpless as the coolies are, miserable as is their lot, the Committee regret to find that some of the provisions of the law, which have been framed for their special protection, are systematically violated. Section 111, which is quoted on the margin, is a very important provision of the law; but as a rule every safeguard which it provides is set at nought. In the first place, a duplicate copy of the contract is to be supplied to the Inspector within a month after its execution, and the Inspector is to furnish a copy to the labourer, and then, when he comes to the garden in the course of his periodical inspections, he is to verify the contract. In all these respects the provisions of the law, generally speaking, are not given effect to, and in some respects it is remarkable that this is done with the full concurrence of the authorities in Assam. The Committee would call attention to a letter issued by the Commissioner of the Assam Valley District, No. G., dated the 29th August 1884, to the address of the Deputy Commissioner of Sibsagar, by which the Deputy Commissioner is allowed discretion to permit the registration of contracts, though they should be presented after the time specified by the law. Here is the letter:—

111. Notwithstanding anything hereinbefore contained, any employer may enter into a labour-contract with any native of India within a labour district. When any employer has executed any such contract with any such native within a labour district, he shall within one month from the date of the execution of such contract, forward it in duplicate to the Inspector within the local limits of whose jurisdiction such employer resides. On receipt of the contract so forwarded, the Inspector shall enter an abstract thereof in a register to be kept by him for the purpose, and shall then give one copy of the contract to the labourer and the other copy to his employer.

When, for the first time after the registration of any such contract with a labourer, the Inspector visits the estate on which such labourer is employed, the employer shall cause such labourer to appear before the Inspector, and such labourer may thereupon apply to the Inspector to cancel the contract; and, if he shows cause sufficient in the opinion of the Inspector to justify the cancellation, the Inspector may cancel the contract, and shall thereupon endorse on the labourer's copy of the contract, or, if such copy be not forthcoming, shall give the labourer a certificate of such cancellation.

"On Section 111 of Act I., 1882, the penalty is that if not registered the contract is not a contract under the Act, it is a mere civil contract, and you are legally justified in refusing registration when a month has passed; but it is a general rule applying to all such limitations that the court or officer who has the legal power to refuse the application may admit it for good cause shown. So, though you are legally justified in refusing registration, you are not legally bound to adopt this course. You must use your discretion. If a year has elapsed, I should certainly refuse. If under two months has elapsed, and any reasonable explanation was offered, I should register."

It will thus be seen that a provision of the law, which by ensuring prompt registration of contracts, affords some sort of protection to the coolie, is rendered nugatory by the manner of its application, which again is contrary to law.

Then with regard to that part of Section 111 which requires that contracts should be verified, the Chief Commissioner observes in the Emigration Report for 1883, that "the number verified is extremely disproportionate to the number registered, and it seems that only in Cachar and Sibsagar have any strenuous efforts been made to perform this important duty." The duty of verification is not only not regularly but also not properly performed. The Chief Commissioner, in the report for the year 1883, admits that "it is in itself a much more satisfactory thing that the terms of the engagement should be explained to the coolie before he signs it by an officer of Government. But this is not always possible."

Out of 25,457 local contracts executed in 1884, only 9,492 were verified during the year, and out of the number, 117 contracts were cancelled "as a punishment on managers for transgressing the rules." That the provisions of Section 111 of the Act operate to the injury of the coolie is a fact which is admitted by high official authority. Thus in 1883, Mr. Porteus, the sub-divisional officer of Karimgunge, wrote:—

"There is not the smallest security that the coolie, when he is brought up to go through the form of touching the pen, in company with some dozens of others at the garden, understands in the least what he is signing to. There is no provision that his agreement should be first explained to him, nor is it very likely that any objection he might make would be listened to. He is expected to sign with the rest. As shown above, it is not uncommon for coolies to try to repudiate their agreements afterwards, and it is very difficult to decide whether their objections afford sufficient ground for cancellation."

Mr. Stevens, the Deputy Commissioner of Sylhet, endorsed these remarks. He said:—

"In the above remarks of the sub-divisional officer of Karimgunge, on the liability to abuse of the Section 111 procedure, I fully concur. In this matter the law appears entirely one-sided. Everything is in favour of the employer. A labour contract, purporting to have been signed by the coolie, but either not executed by him, or if executed, executed under a misapprehension, is sent in for registration under Section 111 and is registered. It may not be verified for a year afterwards; and suppose it is then cancelled, what compensation does the unfortunate coolie receive? He has been, one may say, in wrongful confinement for a year, forced to labour for a year, forced to labour for a master who had no claim to his services, and liable, if he tried to escape from his state of quasi-slavery, to be pursued, arrested, and sent up for trial like a common criminal, or worse, as these even cannot in all cases be arrested without a warrant."

Thus a high officer of Government, in the position of a Deputy Commissioner in charge of the administration of a district, describes the position of the coolie as one of "quasi-slavery." The Chief Commissioner, however, does not take this view. He says:—

"These remarks are couched in stronger terms than the Chief Commissioner can endorse. It may be admitted that if the Executive were weak and the tea planters given to oppression, Section 111 would afford a dangerous facility for high-handed conduct, but neither of these conditions exist. A garden is always liable to inspection and opportunities for escape constantly offer themselves."

But the case of Gibbons throws a flood of light upon the practical working of Section 111, and how agreements which are alleged to be executed by the coolies and are produced as such before the registering officer, are sometimes not executed at all. This was what Gibbons himself said in the course of the inquiry into his case:—

"Several coolies' agreements were written out on the 1st December last . . . . . They were written by Gopal Chundra. They were signed by me. They were not signed by the coolies on the 1st December. I did not bring up the coolies to my bungalow on the 1st December . . . . . They never executed the agreements now placed before me . . . . . I, however, sent them in to be registered."

In reply to an exclamation of surprise on the part of Mr. Lyon, the inspecting officer, at this statement, Gibbons said that there was nothing extraordinary in this—that it was the custom and was always done. The High Court in reviewing this case observed:—

"It is difficult to conceive a grosser case. The helplessness and ignorance of the labourers and the superior intelligence and position of the accused aggravates the offence, which, but for the intevention of the inspector, would have entailed grievous injustice on the labourers."

But

But imperfectly worked as are the provisions of Act I. of 1882, Act XIII. of 1859, which has not been repealed, is still largely used by planters in executing local contracts. Referring to this Act, the Chief Commissioner in his report considers it to be open to the gravest objection. "A contract," says the Chief Commissioner, "may be enforced under this Act, though it is not in writing, though it is not stamped, though it is not registered, though it has not been presented for verification before any official, though there is no proof (other than what evidence is produced on the trial) that the labourer understood the terms of the engagement, though the terms may be manifestly unfair. A labourer cannot free himself by redemption, nor can he plead any misconduct of his employer as an excuse for non-performance. In short, not one of the safeguards which the Legislature in Act I. of 1882 thought necessary for the protection of the tea-coolie are provided by Act XIII. of 1859." The Deputy Commissioner of Dibrugar says:—

"So long as Act XIII. of 1859 remains in force in the district, I apprehend that the number of contracts under Section 111 will not increase."

Mr. Porteus, the sub-divisional officer of Karimgunge, says that any attempt to repeal "this obnoxious Act" would "meet with very strong opposition." The Deputy Commissioner of Sibsagar, in his report for 1884, observes that several managers, when verification of local contracts was insisted on, "declared that they would resort to the 'simple plan' of putting their coolies under 'the good old rule' of Act XIII. * * * Act XIII. is, I venture to think, not an enactment which should rule contracts between tea-planters and their labourers. Where it applied to cases of job work, and the employer is allowed the option of deciding whether he shall have his job completed or his more or less equivalent advance returned him, the procedure of the Act is fair enough; but here the coolie is never allowed to refund the so-called advance, the whole pound of flesh is rigorously exacted, and the coolie has to go back to the garden, even if he offers, as I have known him offer, to pay a larger sum than the advance claimed, and the job claimed is an apprenticeship of a year's duration in an unhealthy climate for which the so-called advance is a very imperfect consideration."

The Committee of the Indian Association have now submitted their representation; and they venture to hope that they have made it clear that the system by which coolies are recruited, their treatment in the tea-gardens, the imperfect nature of the protection afforded them by the Act, are such as should engage the earnest attention of the Government. The coolies themselves are voiceless; they have no organisation to represent them. All the more, therefore, the Committee submit, is the duty incumbent upon the Government to look to their grievances and to redress them. The Committee would earnestly appeal to the Government for the appointment of an independent Commission to inquire into the facts which have been here urged, and generally into the condition of the coolies in the Assam tea gardens. A thorough and exhaustive inquiry is all that the Committee seek for as the basis for any future action which the Government may think fit to take, and the Committee earnestly hope that the Government will have no difficulty in complying with this request. The Committee have learnt with satisfaction that his Honor the Lieutenant Governor of Bengal has appointed a special officer to inquire into certain complaints of kidnapping and other criminal offences made by persons engaged in free recruiting outside the provisions of Act I. of 1882. No inquiry, however, into the working of Act I. of 1882 and Act XIII. of 1859 has yet been ordered, and the necessity for it clearly exists in view of the evidence which has been set forth in this letter, and, indeed, of the action of the Government of Bengal itself.

I have, &c.
(signed) *Surendranath Banerji,*
Honorary Secretary.

EAST INDIA (ASSAM COOLIES).

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(*Mr. Bradlaugh.*)

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REPORT

BY

MR. W. J. ARCHER

OF A

JOURNEY

IN THE

VICE-CONSULAR DISTRICT OF CHIENGMAI, SIAM.

Presented to both Houses of Parliament by Command of Her Majesty.
June 1888.

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Report by Mr. W. J. Archer of a Journey in the Vice-Consular District of Chiengmai, Siam.

Mr. Gould to the Marquis of Salisbury.—(*Received January* 23, 1888.)

My Lord, *Bangkok, December* 20, 1887.

I HAVE the honour to forward, for your Lordship's information, copy of a Report compiled by Mr. Archer, Acting Vice-Consul at Chiengmai, on a tour made by that gentleman during the months of February and March 1887 within the Chiengmai Vice-Consular district.

In the present Report Mr. Archer has chiefly confined himself to a description of the country traversed and of the inhabitants.

He appends some useful route maps and itineraries.

I have, &c.
(Signed) E. B. GOULD.

Inclosure 1.

Vice-Consul Archer to Mr. Gould.

Sir, *Chiengmai, July* 10, 1887.

INSTRUCTIONS having been received by the Siamese Chief Commissioner to close the International Court at Chiengmai during three months of the dry season, I have availed myself of the leave granted me by Mr. Satow to visit in the months of February and March some of the more distant provinces within this Vice-Consular district.

Limits of Tour.—I did not propose to proceed northward beyond Chiengsën or eastward beyond the capital of Müang Nan, the farthest of the five States within this Vice-Consular district. The first part of the tour would thus comprise the northern frontier and the interesting Chiengmai Settlements close to it; the latter, the central Lao country and a portion of the Province of Nan, which had not yet been visited by the Vice-Consul.

Nature of Report.—To submit a detailed Report in the form of a journal would be making it too long and perhaps tedious: omitting any observations on matters of special interest, and reserving for a trade Report such remarks as refer more particularly to trade, I will therefore confine myself in great measure to a simple description of the country traversed by me and of its inhabitants.

I have the honour to annex herewith a Sketch Map of my route, prepared by me without any pretension to strict accuracy. The route as far as Chienghai had already been noted by you, and I therefore took careful observations only from Chienghai to Nan and thence to Lakhon, a route which, I believe, had not yet been followed by any foreigner. I regret that through the loss of some of my notes I am able to furnish a detailed Sketch Map only of the route from Chienghai to within a short distance of the capital of Nan. Being unprovided with proper instruments, I cannot of course vouch for the strict correctness of any observations, and the altitude of different places given by me is only approximate.

Valley of the Më Ping.—Leaving Chiengmai on the 2nd February, my route lay almost directly north and close to the course of the Më Ping as far as Muang Ngāi. Between the river and Doi Süthëp, the lofty mountain that overlooks Chiengmai on the west, are numerous villages or isolated dwellings, with rich rice fields extending as far and even a short way beyond the Më Lim; this and the Më Tëng, a larger river a little further north, are the principal affluents of the Më Ping from the mountainous country on the north-west. Soon after crossing the Më Lim, the cultivation gives way to a long tract of forest extending beyond the Më Tëng as far as the plain of Chiengdāo. With the exception of a few solitary hamlets this region appears to be uninhabited, but there is more cultivation, I believe, on the left bank, in the populous districts of Müang Kën and Müang Prāo.

Not far beyond the Më Tëng the road lies up the course of the Më Ping; and here it becomes more difficult, but the scenery is far more picturesque. The river, not more than 60 feet broad, runs in many places at the foot of hills covered with rich vegetation, rising abruptly on both sides to a height of several hundred feet. The numerous fords were now shallow, but in the height of the rainy season they doubtless often become impassable. A few small rapids present no serious obstacle to the passsage of timber from the teak forests to the north, but impede navigation by boats above the junction of the Më Tëng.

Abundance of Fish.—I was surprised at the abundance of fish in the Më Ping. Nets are used extensively, and the different contrivances for catching fish are too many to be enumerated; but perhaps the most obnoxious is the system of dams, which lower down form a serious impediment to navigation. Dams are also constructed across the river for purposes of irrigation, and sometimes are a cause of great vexation to traders, but no measures appear to be taken by the authorities for the proper protection or convenience of trading boats.

Upper Valley of the Më Ping.—The upper course of the Më Ping lies across an extensive valley or plateau, bound on the west by the rocky mountains of Chiengdāo, but little inferior in height to Doi Süthëp, and by hills of far less elevation, and on the east by the continuation of the range that divides Chiengmai from Lakhon.

Chiengdāo and Müang Ngāi.—On this plain, separated only by a few miles of forest, are situated Chiengdāo and Müang Ngāi, both mere villages surrounded by the wooden palisade usually erected, I believe, to denote the seat of Government of the province rather than for purposes of defence. The valley is here narrow, but opens towards the north; and the undulating country, with the dark background of the surrounding hills and the beautiful rocky mass of Doi Chiengdāo render the scenery very attractive.

The province is fairly prosperous, and during the recent disturbances farther north Müang Ngāi became the market whence the famine-stricken Ngios drew most of their supplies.

Frontier Settlements.—It is a curious fact that the families of the unfortunate people who are accused of being "phi ka," or evil spirits, are usually banished from Chiengmai to Chiengdāo; this is perhaps amongst the first signs of the policy of encouraging Settlements on the frontier districts, which has since undergone such great development. Müang Ngāi is evidently of later foundation, and the Lao Settlements scarcely extend further north. But settlers, mostly Ngios, have recently occupied Müang Pāi to the west and Müang Na to the north-west.

Müang Ngāi to Müang Fāng.—The route from Müang Ngāi to Müang Fāng crosses the chain of mountains which divides the basin of the Nam Khōng* from that of the Më Ping. Passing through rich teak forests the path rises gradually, with only an occasionally steep ascent, until, towards the close of a long day's journey by elephant, the highest pass is reached, at an altitude of about 2,750 feet. After a steep declivity, the valley opens out into an extensive plateau, and on the face of a hill jutting out on it is the "Tham Tab-tao," a cave of great fame to which pilgrimages are made from all parts of the country. It contains an altar where, as usual, offerings are made to numerous images of Buddha; for the Buddhists of this country hardly ever omit to erect a shrine at any spot where a natural marvel strikes the imagination with awe or wonder. The cave is large and probably of great depth, but, outside of its religious character, it has little attraction for a traveller, and the path leading to it is so rough that it hardly deserves a visit.

* More commonly known as the Me Kong or Cambodia River.

About 20 miles of good and almost level road down the valley of the Më Fāng leads to the capital or chief place of Müang Fāng. Along the road are some new Settlements, but as yet only scanty patches of cultivation, though the land appears to be fertile and well watered.

Müang Fāng.—The Province of Müang Fāng consists of the valley of the Më Fāng, which is of considerable length, but narrow.

The seat of Government of the Settlement is a large village occupying the site of the old capital; the old ditch or embankment is still visible, and the ruins of numerous temples testify to the former importance of the city. It is said to have been destroyed about 170 years ago by the Burmese. I think, however, that the place was not entirely deserted till after the middle of the last century. That the valley of the Më Fāng formerly contained a large population is proved by the most reliable evidence; the number of temples in ruins strewn close to both banks down to the junction with the Më Khok; and that the country was well cultivated is shown by the present stunted vegetation. But the land close to the river is said to be at present so subject to high floods that no cultivation is possible; this curious fact may be due to some impediment of recent formation in the lower course of the river. There is, however, still a large extent of country well suitable to cultivation, and labour alone is required to bring the province to its former state of prosperity. I was informed that 320 ruined temples have been counted within the province, and this number probably does not include all; innumerable figures of Buddha strewn about these ruins are left undisturbed. I may, by the way, mention as an instance of the wrong impression made on an important people by unscrupulous travellers, that I was told by some of the earlier settlers and by officials of the province that "a former British Consul had purloined a number of Buddhas from the temples." This remark referred to a European traveller who some years ago attempted to take away some of these images.

Population.—The present population of the whole province of Müang Fāng is probably under 2,000, and that of the capital about 500 or 600, and unless compulsion is used, the immigration of Laos from the neighbouring States is likely to be slow and gradual.

Foundation of Settlements.—This new capital was founded nine years ago, and has still the peculiar appearance of a new Settlement. It is interesting to notice how these Settlements are effected by the Laos, as it may illustrate the manner in which the present capitals of these States were founded within comparatively recent times. The site generally chosen for the future capital is close to or on the banks of the principal river, and it is of primary importance that the surrounding country should be a fertile plain well suitable to rice cultivation. The capitals of these provinces are, therefore, almost always situated in the midst of a flat, low country, but on ground sufficiently elevated to secure them from high floods. In the case of Müang Fāng, however, the city lies at the foot of the hills on the Më Chan, and at a little distance from the Më Fāng; this position was probably chosen in order to avoid the too heavy inundations of this river. Where the new Settlement is on the site of a former city, the old embankment or wall, if any such remain, is kept as the boundary of the new town, and, in time, a wooden palisade, perhaps about 12 feet high, is put up; later, if the new city has greater pretensions, this is replaced by a high brick wall, either entirely, as in the case of Nan, or partly, as in Chiengmai and Lakhon. The site having been fixed upon, the laborious task of clearing the jungle is begun; all, or nearly all, the trees are felled, the roads are marked out, and alongside the settlers are allowed to choose a piece of ground. A rough shanty is generally put up at first, and round it are planted bananas and other quick-growing plants; the grounds of the old temples are not encroached upon, and the principal "wats" are often reoccupied by priests. Many of the new-comers first reside in the capital, but as by degrees they have opportunities of becoming better acquainted with the surrounding country, they begin by cultivating the most promising land in the neighbourhood; others join them, and thus villages are founded, and when a longer residence and increased population have given a feeling of greater confidence and security, Settlements are gradually formed further from the capital. A large body of immigrants, or a number of families from the same locality, generally form a separate Settlement, especially if they are of different race from the original settlers; and if they settle in the capital they usually have a separate quarter allotted to them.

Colonies of Aliens in Siam.—This is characteristic of all the Settlements in Siam, both in the larger cities and in the provinces. In Bangkok the inhabitants of the different quarters have gradually become amalgamated, but not far from the capital the Colonies of former captives of war still retain their language and customs, and keep up little intercourse with their conquerors. In the northern country the separation is as complete, and the town of Chiengmai, for instance, is divided into numerous quarters, inhabited almost exclusively by people of a different race; and many of the villages in the province are also colonies of refugees or captives.

A Settlement of this description entails considerable labour, and it is curious to note from what a distant source Müang Fāng draws its labour supply. At the time of my visit to the province most of the hard work of clearing the jungle and preparing the soil for rice cultivation was done by a band of several hundred hired labourers. These men belong to a people called, by the Laos, Thai Yai, or "Thai Lueng," the inhabitants of the country tributary to China lying north of the Shan States, close to Yünnan and Burmah. They had followed the course of the Salween as far as Mēhongson, the western frontier province of Chiengmai, and thence had come across country to Müang Fāng. Some of them return to their country with only a year's earnings, but they are soon replaced by fresh arrivals. They are said to be better and hardier labourers than either Ngios or Laos, and they will probably be employed with advantage in the construction of public works in Burmah. Their language differs little from the Lao, but their dress resembles neither that of the Shans nor of the Laos.

"Thai" Race.—In my opinion the country of the Thai Yai (literally "great Siamese"), or its vicinity, is the cradle of the Thai people, who have thence gradually flowed southward. The Thai family has numerous divisions, differing more or less in appearance, language, and costume, though it is not difficult to trace the common type through all. As a broad distinction, I think it may be said that the type has been modified by mixture with the neighbouring races. Thus, the Shans bordering on China must show traces of Chinese blood, and those on the west of the Salween of their long intercourse with the Burmese; while, on the south, intermixture with the Peguan, Malay, Cambodian, and Annamite races has, to all appearances, produced the present Siamese type. The whole subject of the gradual development and modifications of the Thai race is a very interesting one from an ethnological point of view, and, in the absence of any records, I think is well worthy of research for the light it may throw on the early history of Indo-China.

Laos.—It is curious how the name of "Thai," or "free," is claimed by different branches of the family. It is only the Siamese that give the name of Lao to the people of these States, and, for some reason, the latter do not consider it at all complimentary, and apply it only to the white-bellied people of the basin of the Nam Khōng, beyond Müang Nan. These are, I believe, sometimes called "Lao Yuen" by the Siamese; it is also curious that the Upper Shans designate the Laos as "Yuen," the Siamese name for the Annamites.

Shans.—The Shans of the basin of the Salween call themselves, and are called by the Laos, "Ngios." I need hardly state that the name of "Shan" is given to the Thai people by the Burmese alone; but, while usage may render it convenient to retain it as the designation of all the people of the States formerly tributary to Burmah, it is, I think, more convenient to adopt the Siamese name of Lao for the people of the northern and eastern States tributary to Siam.

Müang Fāng to Chiengsën.—The route from Müang Fāng to Chiengsën was hardly ever used by the Laos before the recent Settlements; and travellers from Chiengmai to Chiengsën still prefer to take the route through Chienghai. That by Müang Fāng is no doubt longer, but has the advantage of greater coolness and abundance of elephant fodder and pasturage.

Më Khok.—After crossing the Më Fāng the road passes through some new Settlements, and then through a broad belt of bamboo forest extending as far as the Më Khok. This river, the most important tributary of the Nam Khōng from the five Lao States, drains a considerable extent of country, and is here, at least, as broad and deep as the Më Ping at Chiengmai. On the south side is a small Lao village, but on the north bank is a Settlement of Ngios, subject to Chiengtung; and there was here a striking difference in the appearance of the people, as well as in their rude houses,

with the low roof sloping down to within a few feet from the ground. This village of Wieng Kë is small, but on the day of my arrival a considerable addition to its population was made by a number of settlers from Müang Tuen. Wieng Kë is said to be on the site of a former town of the same name, which was probably a place of some importance; a deep ditch still shows the limits of the old town. Not far distant, and close to the mouth of the Më Fãng, are the ruins of an old temple called "That sob Fãng," to which pilgrimages are still frequently made.

From Wieng Kë a path leads northwards to Chiengtung, across mountains inhabited by Kuis and Musös. The former are a hill tribe inhabiting the mountains of Chiengtung, but the latter are scattered further south in the mountainous tract lying between Müang Fãng and Chiengsën, and occupy also the hills directly to the north of these provinces.

The Musös.—The Musös are probably, like the other hill tribes, the aboriginal people of Indo-China. In appearance they are unlike either Laos or Shans, though it is not easy to point out any marked difference in physiognomy. The language of the Musös appears to have no affinity with that of the Thai family; they have no written character, and are not Buddhists; but, as far as I could comprehend, appear to have no religious ideas beyond a vague dread of spirits. Their habits are extremely dirty, and it is probably due to this and to their low style of living that their physique is generally so poor. Like all the people of Indo-China, their staple food is rice; but, unlike the Laos, they do not raise it on low land or valleys.

Cultivation by Hill Tribes.—Their system of cultivation is one that is very largely practised in Indo-China, and I believe in some parts of India, where it is styled "joorning." It is adopted to some extent by the Laos themselves, but on a small scale, and not usually on mountainous country. The side of a hill is chosen where the declivity is not too steep or the surface too uneven; the forest is then cleared during the cold season and all the trees felled. When, in the hot months, the timber has become sufficiently dry fire is set to it, and the ashes so fertilize the soil that it produces almost invariably a rich crop: fresh soil must, however, be prepared next year, for after the first year this manure has lost most of its virtue, or has been mostly washed away. This constant opening up of fresh soil necessarily renders these people nomadic. Having chosen the spot for the next year's work a few families construct some small, mean huts, the floor being sometimes on the level of the ground or sometimes raised a few feet from it, and here they remain only until the crop has been gathered. The rice is small and of a reddish colour, but tasty; and the cotton, which is almost invariably cultivated, is of good quality. Besides this, they raise chillies and tobacco.

Trade with Musös.—The production is more than sufficient for their own wants, and thus a considerable trade, both by barter and by sale, is carried on with the Laos and Ngios; but the men very seldom bring down their produce to the Lao villages, and most of the women have hardly ever left their mountains. The Laos either go themselves to purchase goods at the encampments of the Musös, or buy from middle-men. The Musös, however, have few wants, and purchase little besides knives and the coarse blue cloth with which the men make trousers of the same cut as the Ngios. The women have jackets of the same material, but wear the "sin," or petticoat, of nearly the same pattern as the Laos, but of coarser stuff. For hunting, the Musös use bows with poisoned arrows. On the whole, it is difficult to imagine a people lower in the scale of civilization than these Musös, who appear to be little removed in intelligence from the wild beasts amongst which they pass their existence.

Hill Tribes, or Khas.—It would be interesting to ascertain whether there is any affinity between the various hill tribes scattered over the mountains of at least this part of Indo-China, such as in Chiengtung, the Musös, Kuis, and Kaws. The latter are said to murder mercilessly any stranger that ventures into their country; but this common account of the Kaws probably has no better foundation than the exaggerated dread of the Thai race of the hill tribes, who, they declare, practise magic arts on all outsiders. The Lawas are partly in Chiengtung and partly in Chiengmai, where they are commonly spoken of as the aborigines of this country. To the east of the Nam Khõng are the Khamus, Lamets, and other numerous tribes of Khas. The Khamus now emigrate in large numbers to these provinces, and supply the best labour to foresters; they appear to be of better physique and of superior intelligence to the

Musös. They are a very numerous tribe, the greater part of whom occupy the mountains of Luang Phrabang, but some are in the Province of Nan. This State appears to have acquired suzerainty also over the Lamets, who occupy the mountainous region on the left bank of the Nām Khōng, extending to the north of Chieng Khōng beyond the parallel of Chiengtung. The Lamets differ from the Khamus in language, but not much in appearance. They are easily distinguished from them, however, by the manner of tying their hair in a knot lower back on the head than the Khamus. Also, instead of the coarse blue cotton trousers and jackets of the Khamus, the only article of apparel of the Lamets is a narrow piece of cloth tied round the waist and between the legs. They are said to be also a very considerable tribe, able to bring a force of 3,000 or 4,000 men on the field. Following the example of the Khamus, some of these people now come to seek labour as far as the forests of Chiengmai, and, like them, they lay out their hard-earned wages in the purchase of gongs, which appear to constitute the sole attribute of wealth in their native villages. I cannot vouch for the correctness of the information given me regarding the Lamets, but it is very probable that the style of living and the system of cultivation of any of these hill tribes applies equally well to all.

Beyond Wieng Kĕ the road skirts the mountains, and then winds up the cool valley of the Mĕ Ngām until, after a long day's journey, it ascends a mountain some 2,700 feet in height, which marks the water-shed of the Mĕ Khok and the Mĕ Chan. After a few miles of rough road this river is reached not far from its source, and henceforth the route follows its course to within a short distance of the city of Chiengmai. The scenery here appeared to me the most picturesque of its kind that I had yet seen in Siam. The stream is crossed repeatedly, and sometimes it forms lovely clear pools, and sometimes rushes in torrents over its narrow bed. Down to the water's edge the banks are covered with ferns from a gigantic size to the smallest kind, and with lovely forests of wild plantains. Before long the valley opens, and the hills gradually slope towards the plain of Chiengsĕn. The numerous tracks of tigers, bears, and wolves prove the abundance of wild game in these forests. Deer is also plentiful at this season, but hunting is rendered difficult by the tall grass, often reaching to a height of 10 feet, and the dense vegetation. Fodder in these cool valleys is very abundant, and elephants are able to browse on the march. I met few travellers on the road, besides some families from Chiengtung on their way to settle in Müang Fāng. Close to the path before emerging on the plain of Chiengsĕn are some hot springs, situated in a basin or hollow that has all the appearance of an extinct crater. A little further we come to Ban Patüng, the first Lao village and an outskirt of Ban Mĕ Khī, the largest and most flourishing Settlement in Chiengsĕn. It comprises about a 100 houses, scattered over a rich and already well-cultivated plain, which supplies with rice nearly the whole of the new Settlement.

The route from Chiengmai to Chiengtung passes through Ban Mĕ Khī, and turning northwards I followed it as far as the fort that forms the northern limit of Siamese occupation. The well-trodden road skirts the hills that bound the plain on the west. Not far beyond an independent Ngio village, the Lao authorities are establishing a frontier station, and a little further is the new Lao village of Ban Tham. Close to it is a cave of no great size, but remarkable for the passage leading to it; a long cleft in the solid rock, of which the sides rise perpendicularly to a height of 70 or 80 feet; the passage was possibly worked through by the stream, which now issues through a lower aperture at the foot of the hill.

Siamese Frontier Fort.—The fort is some ten miles to the north of this cave; it is a small stockade on the south bank of the Mĕ Sai, and around it are a few houses inhabited by Lao settlers. On the hills not far from the foot are some Musö villages which I took the opportunity of visiting; and close to it, but on the north bank of the Mĕ Sai, are some prosperous villages of Chiengtung subjects.

These people are not Khöns, as many of the people of Chiengtung, but Ngios, and probably settlers from the country close to the Salween. They are easily distinguished from the Laos, with whom they have many points of dissimilarity in manner, dress, and language, but to describe them would be to describe the Upper Shans. From such observations as I have had the opportunity of making, I have concluded that the Laos of these States bear closer resemblance in every respect to the Khöns, the dominant race of Chiengtung, than to any other branch of the Thai family.

Plain of Chiengsĕn.—The fort lies close to the site of a former city called Wieng Phān, of which the ruins of some of the temples are still visible. The plain stretching

from here to the city of Chiengsën is a vast expanse of deserted rice-fields now covered with high grass and stunted trees that testifies to the former flourishing state of the province. There is here no jungle to clear, and probably but little labour would be required to bring the greater part of the plain to its former state of cultivation; but as yet settlers are few, and the deer and tigers are left undisturbed. The plain is bounded on the east by the Nam Khōng, and beyond it is a mountainous country, inhabited only by hill tribes, though a few Lao settlers have recently ventured there; that it still abounds with wild game is shown by the fact, that on my arrival in Chiengsën I was greeted by the roar of a tiger from the bank opposite the city.

Nam Khōng, or Cambodia.—The appearance of the broad and deep Cambodia River, or Nam Khōng, as it is called here, is particularly striking to one accustomed to the other comparatively small waterways of Siam. Unfortunately, the rapids which are said to obstruct the navigation of this magnificent river form a serious check to the commercial development of an immense country, possessing, no doubt, great natural resources. Extensive and virgin teak forest are consequently left unnoticed. I may observe, however, that though I was informed that teak is very abundant in Müang Fāng, Chiengsën, Chienghai, and the north of Müang Nan, I saw but little in the basin of the Nam Khōng. This deficiency may have been confined merely to the route followed by me, but the comparative abundance of the tree after crossing the watershed into the basin of the Mënam was particularly striking. However, the real resources of the country can doubtless only be ascertained by a thorough survey.

City of Chiengsën.—The city of Chiengsën is situated on the right bank of the Nam Khōng, and close to some low hills at the south-east corner of the plain. The site of the old city of the same name has been chosen for the capital of the new Lao Settlement. The space formerly inclosed by the wall is probably as large as that of Chiengmai; but, as yet, only a very small portion of it is occupied at all; the rest is a dense mass of rank vegetation that covers even the ruins of the numerous temples which attest to the former greatness of the city. A stockade is now being erected on the old enceinte, but wild beasts still roam at night amongst the ruins.

Destruction of Chiengsën.—This place, formerly a dependency of Burmah, was taken and destroyed by the Laos about the year 1804. It is said that the white-bellied Laos of Luang Phrabang and Wieng Chan joined their black-bellied brethren of Chiengmai and the other Western States in the expedition against the city; on the other hand, Chiengmai claims to have effected the conquest with only 1,500 men. Such of the inhabitants as were not massacred or were unable to escape were carried off captives, and allowed to settle in the heart of the Lao country, mostly on the plain of Chiengmai.

Present Lao Settlement.—The present Lao Settlement was begun about 6 years ago; a number of the descendants of the old inhabitants have been sent back to resettle the country, and a representative of the former Rulers of Chiengsën has been appointed Governor. In addition to these, settlers have been drawn from nearly all the Western Lao provinces. The hardships which these poor people have to undergo during the first years of their settlement are so severe, that few of them have emigrated to the province of their own free will, though the absence of all tax farms in the frontier Settlements is no small inducement to emigration from the older provinces. The Governor of Chiengsën informed me that about a third of the immigrants have died since the foundation of the colony. The privations the early settlers had to suffer probably increased the mortality, but fever was doubtless engendered by clearing the rank vegetation, and will lose much of its virulence when the country is better occupied.

Rice in Chiengsën was at first very scarce, but already the land brought under cultivation yields a fair supply; all other provisions are, however, still almost unobtainable, even such simple articles of food as chickens, eggs, and fruit.

Trade.—The almost total absence of trade in Chiengsën itself proves the poverty of the Settlement, but is somewhat remarkable in a province lying on the great northern trade route. The same remark applies to Müang Fāng, and in both provinces the vicinity of the Musös has been of great advantage to the early settlers. The province, commanding a splendid position, possesses no doubt great natural resources,

and with an increase of population and under a good and far-sighted Government, there is no reason why it should not recover its former prosperity.

It was my intention to proceed from Chiengmai to Müang Nan by way of Chieng Khōng. This town lies to the east on the Nam Khōng, and can be reached by boat in less than a day, but I found that there is no direct road to it, and elephants and horses have to make a long round by way of Chienghai. To avoid loss of time, I determined to proceed to Chienghai, and there choose the best route to Müang Nan.

Chiengsën to Chienghai.—Turning westward through some new Settlements that show some signs of prosperity, I again passed through Ban Mē Khī. This village is an important junction on the routes from Chiengsën to Chienghai and Müang Fāng, and on the great trade route from Chiengmai to Chiengtung. The road from Ban Mē Khī to Chienghai is probably the greatest and most important thoroughfare in the whole of the north of Siam, and the traffic here is comparatively very considerable: in the course of a day I passed many caravans of pack animals, some consisting of a long file of over a hundred bullocks. The greater proportion of the traders were Ngios from Chiengtung, who come to purchase goods in Chiengmai and Lakhon, chiefly cotton goods, iron, and salt. Very few of the Laos seem to venture into Chiengtung territory for trading purposes; in fact, it is apparent that the Laos cannot compete with the Ngio and Toungthoo traders and pedlars. This, again, is the route taken by the Hō or Yunnanese traders, on their yearly trading expeditions to Moulmein; they begin to arrive in Chiengmai about the middle of December, and now, about the end of February, I met the first caravans returning with cotton-goods purchased at Moulmein, which they proposed to sell in Chiengtung. Their parties consist generally of from 50 to 100 mules and ponies, and this year it was estimated that altogether about 800 pack animals had passed through Chiengmai. The speed of the Hō caravans is in great contrast to the slow progress of the Lao bullock trains; the latter start at daybreak, and generally their day's journey is over long before the mid-day heat has set in, so that it is seldom that they make more than 6 or 7 miles a-day. The Laos and the Ngios trading in these provinces confine themselves almost entirely to bullocks and carriers for the transport of goods; elephants are reserved almost entirely for forest work, and for carrying the rice from the fields after the harvest. Ponies are scarce, and never used for transport, and mules are obtainable only from the Hōs.

Chienghai.—After skirting the mountain range that bounds Chiengsen on the west and Chienghai on the north, we came to the extensive plateau of Chienghai, or lower valley of the Mē Khok. The new capital, which stands on the site of the former city of the same name, was founded about 40 years ago, and as yet, only a small part of the space inclosed by the old embankment is occupied. But the numerous gardens, neat roads, and well-built houses have a most pleasing aspect to the traveller coming from the new unformed Settlements. Chienghai is a large province, but a great portion of its territory is mountainous, and the fertile plain to the east and south of the city alone is well suited to cultivation. In comparison with the new Settlements further north this province is fairly prosperous, but the population is still small, and the country but little developed.

Importance of the Position of Chienghai.—The town of Chienghai appears destined to become an important commercial centre if the trade of northern Siam ever undergoes great development. It stands on the direct road from Chiengtung to Chiengmai, Lakhon and Phrē, or, what may be of greater importance, from Yünnan to Siam; also, on the as yet little frequented route from Chiengmai to Luang Phrabang. Lately, this route has been tested as a means of communication between Bangkok and Luang Phrabang, and with the great advantage of such a waterway as the Nam Khōng, it would probably compete with the more direct route up the eastern branch of the Mēnam, if means of transport were more accessible.

Route from Chienghai to Nan.—I tried in vain to obtain in Chienghai some reliable and precise information with regard to the best and most direct route to the capital of Nan; but there is hardly any trade between the two provinces, and I was only able to ascertain that there are three roads: one by way of Müang Thōng, another by Chieng Khien, and the last through Phayāo. In the absence of any trustworthy particulars, I judged best to choose the last, following southward the route to Lakhon, as far as Phayāo, and thence the direct road from Chiengmai to Nan; and from the information I obtained subsequently in Müang Nan, it would appear that, besides being the most frequented, this is, on the whole, the best and most convenient route.

Chienghai to Phayāo.—Between Chienghai and Phayāo, a distance of some 60 miles, the country is almost perfectly level, and this may be a point of some importance in considering any scheme for a railway connecting Bangkok with the Upper Shan States, or, at least, with Chiengsën.

Best Route for Railway through Northern Siam.—If the railroad were made to pass through Chiengmai, the great mass of mountains between this city and Chienghai would probably prove a serious difficulty. But if it were to follow the valleys of the Mënam and Më Wang as far as Lakhon there would appear to be no great natural difficulties to overcome, and thence north-eastward to Müang Ngāo the road would lie over easy undulating country. From Müang Ngāo to Phayāo the watershed of the Mënam and Nam Khōng must be crossed, but it is of no very great elevation, and, I believe, would not present any serious difficulties. Once this range is passed, the whole way to Chiengsën and some distance further northward is on almost quite level ground, apparently highly suitable to a railway. This route is, I think, preferable not only because it offers greater natural facilities, but because a large portion of the country traversed is capable of great development, and it is evident that the advantages of a railway to these States are based not on the actual wealth, but on the consequent commercial development of the country.

The Më Lāo, an important tributary of the Më Khok, drains nearly the whole southern portion of the Province of Chienghai; the road to Phayāo, running almost directly south, crosses the river at a day's distance from the city of Chienghai. At first the country is mostly jungly, with the stunted vegetation that usually denotes former cultivation. Rice-fields are not extensive, and only a few villages are passed on the way; some of these are inhabited by settlers from the Province of Lakhon, whence they had been driven by the famine of last year.

Müang Phān.—Müang Phān, a cluster of villages half-way between Chienghai and Phayāo, forms an agreeable contrast to the new Settlements further north. The plain, laid out in rice-fields interspersed with fruit gardens and villages, is bounded on the west by gently sloping mountains; the scenery is picturesque, and the general appearance of cultivation and prosperity is most refreshing.

The former capital of Müang Phān is said to be situated at the foot of the low range of hills which bounds the plain to the east, and a new town is now being founded on its site.

Settlement of Müang Phān.—The history of this small province is interesting, as showing in what manner Colonies are effected, and how confusing are the boundaries of the different States. The country was evidently deserted during the early part of this century; later, a part of it was occupied by people from Lakhon, who, however, afterwards withdrew further south. About fifty years ago a Settlement was made by people from Lamphun, who have since gradually brought the country to its present prosperous condition. Müang Phān is, therefore, governed by the State of Lamphun, though not adjacent to it; but both Lakhon on the south and Chienghai on the north lay claim to at least a portion of the little province.

Questions of Boundary.—The boundary here, as elsewhere in these States, has never been properly fixed. But, although it gives rise to frequent disputes, the question of boundary is not of such importance in this country as might appear, for, with the exception of forest tracts, the land has no real value until it is brought under cultivation; whichever State makes the first Settlement acquires therefore the best title to the government of the district.

Formation of Colonies.—Whilst at Müang Phān, I witnessed another phase in the formation of Settlements in this country. The Chief of Chiengsën having received permission to establish in his province a number of the inhabitants of Müang Phān, proceeded, in the language of the country, to drive the people into the new Colony. However sound may be this policy of migration, it was impossible not to commiserate the unfortunate people who were thus driven from a comfortable home into a bare, uncultivated country, where it would cost them many years of struggle to recover only a portion of their former prosperity. Unable to dispose at so short a notice of their houses, their gardens, and fertile rice-fields, they were compelled to abandon everything that could not be easily transported. I met many of these families, some

carrying their children, or perhaps the domestic fowl, in their arms, and some such few household goods as they were able to remove.

Resources of Müang Phān.—Müang Phān, as well as the district under Phayāo directly to the south, is populous, and appears indeed to enjoy greater prosperity than most of the surrounding country. It is well irrigated, and the crops are generally good, while many of the other common necessaries of life are here abundant and cheap. Fish is indeed very plentiful in the extensive lake, or rather marsh, that occupies the centre of the plain, and it forms an important article of export, giving rise to a considerable trade with all the neighbouring States.

Phayāo.—Phayāo lies to the south of this lake and has some importance, chiefly as the seat of this trade, and as a station on the important route from Chienghai to the southern Lao provinces. This town may well be called the centre of the Lao country, for it is situated at an equal distance of six days' march from nearly all the most important places in the five States: Chiengmai, Chiengsën, Nan, Phrë and Lakhon. As in most of the new Settlements, Phayāo occupies the site of the old town of the same name. I was informed that the former inhabitants, unable to stand the exactions of the Burmese, had deserted the country during the last century, and migrated to the south. It was resettled by Lakhon some fifty years ago, but the appearance of the town is poor, and, as usual, the space inclosed is only half occupied. Close outside the walls is a temple remarkable for an immense image of Buddha; tradition tells that a marsh was filled up on which the temple, and subsequently the town, were built. Outside the wall, and close to one of the only two wells of the town, there is good camping ground in the dry season in a beautiful wood resembling an English park, which I think is unique of its kind in Siam.

Route to Nan.—The direct route from Chiengmai to Nan passes through Phayāo, but it is very mountainous, and therefore is little frequented; that through Lakhon being often preferred. There is, however, very little traffic between the western provinces and Nan, for this State naturally draws all its supplies from the markets on the Nam Phō, or eastern branch of the Mënam. The road from Phayāo to Lakhon goes southward through Müang Ngāo, but I now took the direct route south-eastward to Müang Nan.

The Më Ing, which drains a large extent of country east of the Më Khok, passes close to the town; beyond it lies an almost uninhabited plain, covered with thick bamboo jungle: the most populous part of the province is evidently the country on the north-west, and there are to the south-east only a few villages, situated at the foot of the chain of mountains running north-eastward, which forms the watershed between the Nam Khŏng and the Mënam.

Soon after commencing the ascent of this range, I saw some fine teak trees for the first time since leaving the northern frontier; but I was told that teak is abundant in the Province of Phayāo.

Information from Natives.—No reliance however can be placed on information given by natives, whatever their position may be, for, beyond matters of daily requirement, they take no pains to ascertain any facts which are usually considered interesting and important by foreigners. For this reason I have excluded from this Report a great deal of interesting, but not reliable, information. Traders are often able to give information of some value, but if it were required to ascertain the real condition and resources of the country, personal observation could alone be relied upon. The ascent of the range is at first gradual, but becomes steep near the summit of the pass, which has an altitude of 2,700 feet; this was, perhaps, the highest point reached by me on this tour. The descent is very steep, and water is scarce before reaching the Mē Sa; other disadvantages of this route are the bad encampments and absence of shade on the eastern slope.

Names of Provinces.—It may be well to explain here that in Müang Nan, and sometimes, though not so often elsewhere, a district containing a few villages is usually dignified by the name of "Müang," or province, so that it is impossible to judge by the names which are the really important places in the State.

Müang Sa.—Müang Sa, the first village I came to in Müang Nan, is an instance of this, for it is only a cluster of a few poor villages, surrounded by bare and rocky

hills. Travelling over the heated ground in the beginning of March was very fatiguing to men and beasts.

Altitude of Müang Nan.—I found the altitude of Müang Sa 900 feet above the sea, and that of the capital of Nan about the same: this would show that the average altitude of Müang Nan is about 500 feet less than that of the Plain of Phayāo. I noticed a considerable rise in the temperature after crossing the watershed, and although this may have been partly due to the approach of the hot season, there is no doubt that the range which divides the basin of the Mënam from that of the Nam Khōng marks a considerable difference of temperature. January and February are no doubt the best months for travelling; in December, the jungle is still damp and the roads on the plains and valleys are bad; while in March water and fodder have become scarce, the forests are devoid of foliage, and it becomes so hot in the middle of the day that travelling is fatiguing and disagreeable.

The tract of stunted forests called "phë" by the Laos continues after crossing the Më Yom, until the road enters the narrow and cool valley of the Nam Phī, a large clear stream which rises in the mountains to the north-east. The scenery is here attractive, and hence to the city of Nan the road is comparatively cool. Before reaching the Nam Phī we struck into the route that joins Chiengkhōng, Chiengkham, and other important provinces on the north-west to the capital; I was told that another route strikes south-eastward from Chiengkham.

Müang Suet.—Müang Suet consists of a number of small villages in the valley of the small river of the same name that falls into the Nam Phī. This year the whole of this upper part of the valley of the Më Yom has suffered severely from drought, and the crops have almost entirely perished; I found it difficult to purchase even a small quantity of rice at any price. The other usual crops besides rice, tobacco and cotton, were also greatly damaged. Thus, whereas the crops in Chiengmai and Lakhon have been good this season but failed last year, the contrary has been the case here, and this may show how local a famine may be where means of transport are so difficult. In ordinary times, the people of Müang Suet are no doubt fairly prosperous, but this year some have been compelled to leave their homes, and the rest have had to make long journeys to provide themselves with a small supply of rice. The people are so improvident that little or no provision is made for a case of failure of the crops, and a famine therefore often leads to extensive migration, to slavery, and to great misery. But I have not heard of any actual cases of death from starvation.

Superstition.—I may mention as a curious instance of the superstitious character of the Laos, and, at the same time, of their good-will, that in Müang Suet I was waited upon by a deputation of the Headmen of the villages, who warned me of the danger to which I was exposing myself by encamping too close to a large tree. This was said to be the dwelling of the spirit of the province, which never fails to wreak vengeance on any timber. Daily offerings are made to the spirit, and no one ventures close to the tree at night.

The upper valleys of the Nam Phī and Nam Suet have very few inhabitants, and between Müang Suet and Nan lies a high barrier of wild, mountainous country, abounding with wild beasts. I afterwards saw repeatedly the tracks of wild elephants and their numerous paths down to the stream, and, at night, tigers were heard close to the encampment. There are two routes to Nan; the more southern one, by way of the valley of the Më Sa and the town of Wieng Sa, is said to be easier, especially in the rainy season, but much longer; the other follows the valley of the Më Si-phan. I determined to take the latter, though I was warned that I should find the road very rough.

Müang Suet to Nan.—In dry weather Müang Nan can be reached from Müang Suet in two days by foot men, but not easily by elephants. Two mountain passes, at an elevation of about 900 feet and 600 feet from the plain, may be said to divide the distance into three almost equal parts; the valleys of the Më Si-phan, Më Pieng-pāo, and Më Samien. To the west of the first pass the road lies up the valley of the Më Si-phan, and for some distance along its bed; it was here very fatiguing for elephants, and almost impracticable for ponies and bullocks. The valley is very narrow, and in many places the banks rise almost perpendicularly on both sides to a considerable height.

History of Müang Nan.—The natural difficulties of the route have been utilized in a most remarkable manner for the liberation of the country from the domination of the Burmese. The following narrative, given me on the authority of the Chief of Nan, throws some light on a most interesting epoch of the history of the country, and is especially worthy of notice, as I believe no written record of the occurrences exists. In former times, when the country contained a far smaller population than at present, a Chief of Chiengmai sent two "phyas," or Headmen, to colonize Müang Nan. One of them, named Phya Tun, remained, and one of his descendants in the latter part of the last century was a young man named Noi Atha. About or after the time of the taking of the capital of Siam by the Burmese (A.D. 1767), the latter were in possession of Müang Nan, and Noi Atha served under them against the Siamese. He committed great slaughter, but was ultimately taken prisoner. He pleaded that he had been forced to take up arms against his will, and the King of Siam offered him his pardon on condition that he would faithfully serve the Siamese against Burmah. Noi Atha resolved to prove himself deserving of this act of clemency and to free his country from the Burmese yoke. Pretending that he had escaped from the Siamese he repaired to Burmah, and induced the Burmese General, who never doubted his fidelity, to send a force to Nan. Müang Thöng, on the north-west, was first chosen as the head-quarters, and Noi Atha undertook to push forward and make preparations for the further progress of the army. Having concerted measures with his countrymen, he invited the Burmese to proceed to the capital. A force of 4,000 men started, but when they had entered the dangerous gorge of the Më Si-phan, the Laos, who were lying in wait for them, hurled rocks from the overhanging heights, and, closing in on each side, exterminated the Burmese force. Thus the stream came to acquire its present name of Më Si-phan, "The River of the Four Thousand." Noi Atha was revarded by the King of Siam with the high title of "Chao Fa Atha," or Prince, and became the first of the Chiefs of Nan, who have since remained tributary to Siam. The successors of Chao Noi Atha were his relatives, but the present Chief, the fourth of the line, is his son. He is, I believe, the oldest of the Chiefs tributary to Siam, and it is remarkable that his sons are vested with all the high offices of the State.

After leaving the Më Si-phan, and having crossed the first pass, the road follows the course of the Më Pieng-pão as far as the second pass, the Doi Non-këo; it then descends to the Më Samien, a larger stream, flowing into the Nam Nan a little below the capital. This route, though rough and difficult, has the great advantage of coolness in the hot months; it is also provided with many good encampments, though none very large. I may remark by the way that these encampments should, if possible, be avoided, for, being the common resting-places of droves of cattle, they are often very dirty, and infested by all kinds of insects. I met on the way more travellers than on the less frequented route from Phayão to Müang Suet, but the traffic is still comparatively insignificant. Ban Më Samien is situated on the plain or valley of the Nam Nan at the foot of the mountains, and thence a good level road leads in a few hours to the capital.

Müang Nan.—Müang Nan is probably the most extensive of the five Lao States, but it is of more recent formation than Chiengmai, and such information I was able to obtain, rather than my own observation, for I only traversed a small portion of the province, leads me to suppose that its population is smaller.

Estimate of Population.—If the population of Chiengmai is estimated at 150,000, and I doubt whether it exceeds this figure, that of Müang Nan may perhaps be put down at 100,000, Lakhon at 80,000, Lamphün at 40,000, and Phrë at 20,000. These figures are, of course, merely conjectural, and based only on personal observation; no census is taken, but I believe that if statistics of any kind exist they are unreliable. The most populous parts of the province appear to be the valley of the Nam Nan in the centre, and the valley of Më Ing to the north-west.

The position of the city of Nan is similar to that of the other capitals of these States. It is situated in the centre of the broad valley on the right bank of the Nam Nan, the eastern branch of the Mënam, which, lower down, before its junction with the Më Ping, bears the name of Nam Phô.

Trade.—Almost all the trade of Nan is carried on with the stations on this river, and principally with Tha Fët; above this place the rapids are so numerous that the river is not navigable, and the transport of goods to the capital by carriers or pack animals raises the price of imports considerably. Another station is Tha-rüa, whence

large boats can come up from Bangkok, and lower down is Tha Phô, which I have already described in a former Report. The journey from the city of Nan to Bangkok takes only a little longer than from Chiengmai, and in the height of the rainy season can be made in fifteen days; the return journey is, of course, much longer. Many of the traders in Nan are Chinese, some are Toungthoos, but in the whole province there are only a few British subjects.

Resources of Müang Nan.—This province is said to abound in teak, but only a little of it, in the valley of the Më Yom, and some on the banks of the Nam Nan is worked out. The present Chief has adapted a policy of great exclusiveness and jealousy of interference with the internal affairs of his province. I may remark, indeed, that Müang Nan is far more conservative than its western neighbours.

Lao Customs and Laws.—It is here that many of the laws and customs of the country are still preserved which have fallen into disuse in the more western States, probably owing to more frequent intercourse with the Siamese, whose manners, language and dress the Laos are always eager to imitate. Thus, the criminal code of Nan is of the old draconic severity. The punishment for theft and robbery is death, and as it is often applied, the province enjoys a most enviable immunity from crime, and its people a very wide reputation for honesty. Capital punishment is not so commonly applied in the more western States, and more often the less effective, but more profitable, punishment is adopted of seizing also the family of the criminal and reducing them all to slavery, as well as confiscating their property.

Taxes.—Müang Nan also enjoys complete exemption from all the tax farms that are so burdensome in other provinces; but there is the customary rice tax, which is here still paid in kind, and of course Government service. Not many of the people of Nan find therefore any inducement for leaving their country, nor do they intermarry to a great extent with the people of Chiengmai or Lakhon. It is indeed strange to notice what little intercourse there is between these States, and what profound ignorance prevails in Chiengmai with regard to Müang Nan.

People.—The people of Nan are no doubt a far purer race than that of Chiengmai, and, it struck me, are handsomer, though of darker complexion. It would indeed be hardly correct to judge of the Lao race by the people of Chiengmai, for the constant intercourse with their neighbours, the Burmese and Shans, has, no doubt, greatly modified the original type. Some peculiarities of pronunciation are common to Nan, Phrë and Lakhon, but there is closer connection between the two former. Though the language is radically the same in Nan and Chiengmai, there is, however, considerable difference between the two provinces in tone and idiom.

Costume.—In dress it appears probable that Müang Nan has preserved the customs once common to all the Laos. With regard to the men, the usual clothing is so scanty that it hardly admits of any modification, but on formal occasions the Headmen wear a red turban and silk jacket. In Chiengmai the latter has been replaced by the white jacket copied by the Siamese from Europeans. The "sins," or petticoats, of the women, however, are, in Nan, of a distinctly different and, I think, more tasteful pattern. They also wear thick silver bracelets not very different from those of the Ngios in Chiengsën, and their hair is tied in a knot not so low back as in Chiengmai.

With regard to the peculiarities of costume and of the manner of dressing the hair, which distinguish the Lao women from the Siamese and both Lao and Siamese men from the Shans, the following explanation given me may, if correct, draw closer the connection between the Siamese and the more northern branches of the Thai family. It is said that the "sin" of the Laos was formerly also worn by the Siamese women, but that on the occasion of an invasion of Lower Siam by the Burmese it was ordered, in order to facilitate their escape, that the Siamese women should wear clothes similar to those of the men; and gradually this dress became established amongst them. It is, indeed, curious that the style of dress of the Siamese women should differ from that of all their neighbours, the Malays, Annamites, Laos and Burmese. Again, it is said that the Siamese formerly wore their hair long and tied up in a knot like the Shans, but that at the time of the wars between the Siamese and Burmese, or Peguans, in the sixteenth century, orders were given that the Siamese should cut their hair close, to distinguish them from their enemies.

Productions.—Müang Nan enjoys a good climate, and especially in the valley of the Nam Nan; the rains are plentiful, and the crop is hardly ever known to fail. Salt is abundant, but of somewhat inferior quality, and it is said that there is also iron and gold in the province. Some precious stones are found not far to the west of the capital, which are supposed to have specific virtues, and are therefore jealously guarded, but which would probably have no value in a European market. Elephants are numerous, and hunts on a somewhat large scale are occasionally undertaken; when sold, part of the proceeds go to the catcher and trainer, and part to the Government.

City of Nan.—The walled city of Nan itself is smaller than Chiengmai, and bears much resemblance, both in shape and dimensions, to the little city of Lamphun. It contains almost exclusively the residences of the Chiefs and a few temples, but the greater part of the inhabitants reside at Wieng Kāo, a large suburb about a mile to the north, occupying about half the area inclosed by a rectangular palisade that is now almost entirely decayed. This was the former capital, and was abandoned about thirty years ago, because the location was not found propitious. This superstition, evidently of Chinese origin, is no doubt the reason that capitals of Indo-China are so often removed. Any personal misfortune or unsuccess induces the ruler to seek what is supposed to be a more favourable site; for the same reason all the official residences in Lakhon have been removed from the north to the south bank. The capital of the province is said to have been formerly further south; but some of the temples near the city appear to be ancient. The account given of the foundation of Wat Changkham, the principal temple in the city, is common also to other temples in the country. When the city was besieged by the Burmese, or by Hōs, a compact was made that whichever side should first raise a "phrachedi" or pagoda of a certain height should be considered the victors. The invaders began to build one of brick, which is unfinished to this day; but the Laos, with the aid of an elephant, were soon able to raise a high mound of the required height of baskets of sand, on the top of which they fixed the umbrella, and the enemy, taking it for granted that they were the losers, retreated. The name, "Wat Changkham," denotes that the temple owed its foundation to the assistance of an elephant.

Routes from Nan to Lakhon.—From Nan to Lakhon the more direct, and I think the best, route is that through Phrë, but having already visited the latter place, I resolved to return by way of Müang Ngāo. This makes the journey rather longer, but I hoped that at that time of the year it would be cooler; I did not, however, find it so, and on the whole, I consider that the Phrë route is preferable even in the hot season.

From Nan to Müang Ngāo.—On the 11th March I left Müang Nan, and retraced my steps as far as Müang Suet; thence, instead of following the valley of the Nam Phī as before, I crossed the high mountain that stands like a barrier between Müang Suet and Chiengmuen. The ascent, however, is steep, and the road by the valley of the Nam Phī, though more circuitous, is preferable, except during the rains, when it becomes, of course, hardly practicable.

Chiengmuen.—Chiengmuen is a small cluster of villages. It was a characteristic sign of the famine in this part of the country, that nearly the whole male population of the villages had left their homes to procure provisions in the more favoured districts. A number of Lüs, the people from the upper valley of the Nam Khōng, close to the Chinese frontier, have settled in Chiengmuen. I was informed that further north, in the districts of Müang Phong and Chiengkham, these settlers are very numerous.

After crossing the Më Yom the road from Chiengmai to Müang Ngāo lies over the range of low rocky hills which extends northwards beyond Müang Sa. In March I found this route extremely hot and trying both for men and beasts; the small stumpy trees had shed all their foliage, and the hot rays of the mid-day sun beating on the dark red rocky soil, coupled with the scarcity of water and the roughness of the path, render the journey a very trying one if not made by easy stages and in the cool of the morning.

Elephant Travelling.—There is no doubt that for elephant travelling in the hot season the day's march should, if possible, begin at daybreak and end before mid-day. The usual speed of an elephant, except on a good road and on a short journey, is, I think, under 2 miles an hour, and a pedestrian can generally accomplish the day's

march in half the time. Towards the end of a long journey loaded elephants soon become tired, and their speed diminishes considerably. Again, when information is obtained from natives with regard to distances on foot, it is important to take into consideration their usual day's journey. They generally carry loads, and though they often travel the whole day, make frequent stoppages; so that a day's march rarely exceeds 15 miles.

The frontier of Nan and Lakhon lies about half-way between the Më Phān and Më Phông, two small rivers, the valleys of which stand out like oases in the midst of this desert. I encamped in a teak forest on the banks of the Më Phông, and reached Müang Ngāo the next day. Not far beyond the Më Phông the road lies up the bed of the Hueï Lam, a small stream now almost dry. Then, after ascending some hills of no great height, a narrow path leads through a teak forest, often along the steep side of the hills, down to the valley of the Më Ngāo.

Müang Ngāo.—Müang Ngāo is an important sub-province of Lakhon, and, besides its rich rice-fields, boasts of extensive teak forests which have recently been leased to a British Company. The valley is broad and well cultivated, and the numerous and populous villages and the traffic on the roads showed greater prosperity and animation than I had yet seen, with a few exceptions, since leaving Chiengmai. Müang Ngāo lies on the trade route from Lakhon to the north, and the number of traders I met here proves it to be a trade station of some importance.

Toungthoo and Ngio Pedlars.—For the first time since my departure from Chiengmai, I saw a number of Toungthoo and Burmese pedlars; and this may show that the people confine their trading expeditions chiefly to the southern part of the Lao country, leaving to the Ngios the trade in the more northern provinces.

I found the well-frequented road from Müang Ngāo to Lakhon a great improvement on the rough paths I had followed since leaving Phayāo. It lies over undulating country, covered with extensive forests of teak. Water is abundant, and there are good encampments and "salas," or resting-places; but from the Më Hot, an important tributary of the Më Ngāo, to the Më Wang, there are no villages close to the route. About half-way between Müang Ngāo and Lakhon is a range of jagged, rocky hills; here a natural gap called "Pratū-phā" or "Gate of Rocks" marks the boundary between the two provinces. When close to the Më Wang the road leaves the forest and passes over the extensive rice-fields which surround the city of Lakhon. Another road, crossing the river, leads to the city past the old temple and village of Sadet.

Lakhon is also the residence of the Vice-Consul, and my journey may be said to have ended there: on the the 23rd March I reached Chiengmai, having performed the tour in seven weeks.

I may add, in conclusion, that I was much pleased with the very friendly and cordial reception given me, without exception, by the local authorities, and with the kindly disposition evinced by all classes of the interesting people met by me on the tour.

I have, &c.
(Signed) WM. J. ARCHER.

Itinerary from Chiengmai to Chiengsën, Nan, and Lakhon.

	Miles
To Ban Më Lim	13
Më Tëng	18
Ban Më Wak	15
Chiengdāo	6
Müang Ngai	8
Chiengmai to Müang Ngāi	60
Müang Ngai to Më Ping	1
,, Cave	3
,, Pass	2
,, Më Pan Noi	1
,, Pass	3
,, Watershed (2,700 feet)	2
,, Pass	2
,, Cave ("tab-tao")	3
,, Më Fāng	2
,, Ban Më Khî	2
,, Më Khî	4
,, Më Ngōn and Ban Më Ngōn	4
,, Më Sun and Ban Më Sun	1
,, Müang Fāng	8
Müang Ngai to Müang Fāng	38
Müang Fāng to Më Fāng	$1\frac{1}{2}$
,, Ban Më Na Wang	6
,, Ban Huei Mong	$1\frac{1}{2}$
,, Ban Më Si Tun	4
,, Më Khok (Wieng Kë)	5
,, Two roads	3
,, Më Müang Ngam	7
,, Foot of hill	7
,, Pass	1
,, Më Lu	1
,, Më Chan	5
,, Open valley	14
,, Hot springs	7
,, Ban Patüng	2
,, Ban Më Khī	3
Müang Fang to Ban Më Khī	67
To Ban Huei Lai	5
Ban Më Tham	7
Fort	10
Wieng Phān	1
Më Ma	7
Më Kham	4
Chiengsën	10
Ban Më Khī to Chiengsën by way of fort	44
Müang Fāng to Chiengsën	87
To hills	4
Ban Pasak	10
Ban Më Khī	7
Frontier of Chienghai	$5\frac{1}{2}$
Më Katôm	$2\frac{1}{2}$
Yang Lë	4
Ban Du	2
Chienghai	4
Chiengsën to Chienghai	39
To Më Mōn	6
Më San	$7\frac{1}{2}$
Ban Pa Huok and Më Lao	$5\frac{1}{2}$
Ban Hua Fai	$8\frac{1}{2}$
Ban San Lueng	$5\frac{1}{2}$
Kot Yāo (frontier of Phayāo)	$11\frac{1}{2}$
Ban Më Chai	$4\frac{1}{2}$
Ban Tham	$10\frac{1}{2}$
Phayāo	5
Chienghai to Phayāo	$64\frac{1}{2}$

	Miles.
To junction of Më Ing and Më Tam	
Huei Më Hong Kwi	1
Sala Tha Kham and Më Hong Chang	3
Ban Pin	7
Pang Hong Sak and Më Hong Sak	2
Pang Khum Tham	6½
Watershed	3½
Pang Bua Kang Pa	1
Pang Nam Cham	5
Më Sa	½
Ban Bo Tong	5
Road to Chiengkham	3
Pang Sob Ya and Nam Phi	2
Nam Suet	3
Müang Suet	8
	4
Phayão to Müang Suet	54½
To ascent of Më Si-phan	4
Doi Sam Hin	6½
Pang Hin Fon	1½
Më Pieng Pão	2
Doi Mõn Këo	4
Pang Song Kwë	3
Ban Më Samien	8
Müang Nan	6
Müang Suet to Müang Nan	35
To Müang Suet	35
Pang Nam Bõ Somphan	6
Top of mountain	1
Chiengmuen	4
Më Yom	7
Më Phãn	6
Më Phông	5
Ban Lueng (Müang Ngão)	19
Müang Suet to Müang Ngão	48
To Ban Hot	7
Sala Pang La	9
Lakhon	27
Müang Ngão to Lakhon	43

Inclosures 2, 3, and 4.

Maps.

SIAM. No. 2 (1888).

Report by Mr. W. J. Archer of a Journey in the Vice-Consular District of Chiengmai, Siam.

Presented to both Houses of Parliament by Command of Her Majesty. June 1888.

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BOMBAY BRANCH
OF THE
Royal Asiatic Society.
CLASS

EAST INDIA
(NON-EFFECTIVE CHARGES OF HER MAJESTY'S FORCES).

RETURN to an Order of the Honourable The House of Commons, dated 30 April 1885; —*for*,

COPY "of CORRESPONDENCE between the TREASURY, the WAR OFFICE, and the INDIA OFFICE, on the Subject of the HOME NON-EFFECTIVE CHARGES of HER MAJESTY'S FORCES in INDIA."

Treasury Chambers, 30 April 1885. } JOHN T. HIBBERT.

— No. 1. —

The Secretary to the Treasury to the Financial Secretary, War Office.

Sir, Treasury Chambers, 29 December 1881.

I AM directed by the Lords Commissioners of Her Majesty's Treasury to inform you that they have considered the proposal made to the War Office by the India Office on the 13th November 1878, and forwarded to this Board in Sir R. Loyd Lindsay's letter of November 1879, on the subject of the payment of the capitalised value of military pensions chargeable against the Indian Government.

My Lords had hoped to include this question with that of the effective home charges of regiments serving in India in one final and comprehensive arrangement, but as it appears not to be practicable at present to decide the principle which is to regulate permanently the adjustment of the last-named charge, they are unwilling to delay longer the consideration of the non-effective charge.

My Lords must begin by stating that in their opinion the practice of paying the whole of the sum at which the Indian pensions of each year are capitalised into the Exchequer is unsound. It would be sound to repay the actual charge borne on the Army Estimates of the year for those pensions, but it is not sound to increase the revenue of the year by sums in excess of the amount actually expended on the service which they represent, especially when it is evident that the assistance thus given to the finance of the current year must be at the expense of the finance of future years.

It would consequently, in any circumstances, have been desirable to re-consider present arrangements, but the arrear into which payments due by the Government of India have fallen, makes such reconsideration imperatively necessary. When a pension is capitalised, its present value, ascertained by agreement, is paid down to the person accepting liability for future payment of the pension, but if the capital sum so ascertained is not paid down, the basis of the agreement is invalidated, the person accepting the future liability of the pension does not receive its present value, and if right is to be done the calculation must be reviewed. India has agreed with the Imperial Government to pay down the present value of the Indian share of military pensions which become payable in each year, and thus gets the benefit of the discount which attends the immediate payment of a future liability. India, however, does not fulfil her part of the bargain; the sum ascertained to be the value at the present moment is not paid at the present moment; India falls, in fact, two years or

more into arrear, and as she has hitherto not paid interest upon such arrear, she makes a proportional profit. Thus it may be said that she gains, and the Imperial Government loses probably 80,000*l.* a year.

My Lords can understand that their predecessors were unwilling to press India at a time of great financial difficulty, but now that peace is happily restored, there is no longer reason for delaying a return to sound and more business-like arrangements. My Lords would, however, be quite ready to spread the payment of the arrears over a period to be agreed on, provided that interest be charged upon such arrears at the rate upon which the capitalisation is based, viz., 4 per cent.

My Lords would suggest for the consideration of the Secretary of State whether a new point of departure should not be taken with the financial year 1882-83, and that India should undertake the payment of her share of the pensions as they become due. For that purpose the principle which finds favour for the effective charge of troops serving in India might be adopted, and a round sum might be fixed in each year as representing the probable amount of the Indian share to become due in the year, which might be capitalised and spread over a certain number of years, if India preferred it, say 15, but bearing interest in respect of the postponed time at the rate of 4 per cent. The dates of payment by the Indian Government should be definitely fixed and accurately observed.

The existing arrear up to 31st March 1882 should be treated separately; it should be charged 4 per cent. interest from the time that it became due, and it should be arranged with India that this arrear should be liquidated by instalments so graduated that, when added to the sum to be paid yearly on the new accruing pensions, a fairly constant contribution from India would be secured. Four per cent. interest would of course be charged on the sum in arrear on 31st March next, and from time to time on so much of that arrear as remains outstanding.

If the Secretary of State agrees generally with this proposal, the Treasury and he might make a joint representation to the India Office, and on receiving the adhesion of the Secretary of State in Council of India, they might commit the working out of a detail plan to officers representing the three Departments.

My Lords think that it is essential to a new arrangement that as correct an estimate as circumstances permit should be made of the sum actually borne in Army Estimates, and paid out of Army Votes on account of Indian pensions which have been already capitalised, and they would be obliged to the Secretary of State if he would cause such an Estimate to be prepared, say for five years to 31st March next, and they would be glad if a similar Estimate for the year 1882-83 could be added.

I have, &c.
(signed) *F. Cavendish.*

The Financial Secretary, War Office.

— No. 2. —

ACTUARIES' REPORT, No. 306.

CAPITALISATION of CHARGES against INDIA for NON-EFFECTIVE SERVICES, as on the 1st April 1883.

I.—Indebtedness of India.

II.—Appropriation in Past Years of the Sums Paid by India.

III.—Liabilities of Future Years.

I.—INDEBTEDNESS of INDIA on 1st April 1883.

1. Taking the Capitalisation of a year to be due at that year's expiration, the *gross* amount chargeable to India, accumulated at 4 per cent. interest to the 1st April 1883, may be estimated to stand as follows:—

INDIAN LIABILITY Accumulated to 1st April 1883.

YEAR.	Capitalised Amount of Proportion of Pensions in respect of Service in India.	Amount at 4 per Cent. Interest of the Capital Sum in previous Column, on 1st April 1883.
	£. s. d.	£.
1870–71 - - - -	428,724 17 3	686,401
1871–72 - - - -	281,147 18 –	432,814
1872–73 - - - -	318,500 10 6	471,458
1873–74 - - - -	348,329 19 9	495,783
1874–75 - - - -	428,841 1 2	586,898
1875–76 - - - -	543,085 2 7	714,664
1876–77 - - - -	765,977 – –	969,203
1877–78 - - - -	730,756 10 –	889,077
1878–79 - - - -	855,948 17 9	1,001,336
1879–80 - - - -	886,141 11 5	996,789
1880–81 - - - -	*934,000 – –	1,010,214
TOTAL - - - £.	6,521,453 8 5	8,254,637
1881–82 (Estimated) - -	950,000 – –	988,000
1882–83 (Estimated) - -	722,000 – –	722,000
	8,193,453 8 5	9,964,637
Capitalisation of Pensions of Ex-Indian Soldiers referred to in Section 8, from 1st October 1876 - - - -	244,224 1 10	315,141
£.	8,437,677 10 3	10,279,778

* Subject to slight corrections.

2. Similarly, the sums paid by India accumulated at 4 per cent. interest to the same date, viz., the 1st April 1883, will have amounted to the total stated below :—

INDIAN PAYMENTS Accumulated to 1st April 1883.

Payments to Imperial Government.		Amount of Sum shown in previous Column Accumulated at 4 per Cent. Interest to the 1st April 1883.
Nearest Quarterly Date.	Amount.	
	£. s. d.	£.
1st October 1870	108,500 – –	177,185
1st January 1871	50,000 – –	80,852
1st April „	55,000 – –	88,057
1st July „	56,000 – –	88,795
1st October „	56,000 – –	87,933
1st April 1872	353,224 17 3	543,772
1st July „	75,000 – –	114,349
1st October „	75,000 – –	113,238
1st April 1873	171,147 18 –	253,340
1st July „	70,000 – –	102,623
1st October „	70,000 – –	101,627
1st January 1874	70,000 – –	100,630
1st April „	70,000 – –	99,634
1st July „	70,000 – –	98,674
1st October „	70,000 – –	97,715
1st January 1875	70,000 – –	96,757
1st April „	98,500 10 6	134,805
1st July „	87,500 – –	118,598
1st October „	87,500 – –	117,447
1st January 1876	87,500 – –	116,296
1st April „	87,500 – –	115,145
1st July „	168,329 19 9	219,381
1st October „	100,000 – –	129,062
1st January 1877	200,000 – –*	255,594
1st July „	248,841 1 2	311,837
1st April 1878	500,000 – –*	608,327
1st July „	137,500 – –	165,680
1st October „	137,500 – –	164,072
1st January 1879	85,000 – –	100,432
1st April „	290,000 – –	339,257
1st October „	275,000 – –	315,525
1st January 1880	181,724 1 10*	206,429
1st April „	280,585 2 7	315,614
1st July „	137,500 – –	153,182
1st October „	137,500 – –	151,694
1st January 1881	137,500 – –	150,207
1st April „	187,500 – –	202,800
1st July „	150,000 – –	160,680
1st October „	150,000 – –	159,120
1st January 1882	150,000 – –	157,560
1st April „	250,000 – –	260,000
1st July „	150,000 – –	154,500
1st October „	150,000 – –	153,000
1st January 1883	150,000 – –	151,500
TOTAL £.	6,292,853 11 1	7,832,925

3. The indebtedness of India on the 1st April 1883 may therefore be estimated at the difference between these amounts:—

	£.
Due	10,279,778
Paid.	7,832,925
Owing £.	2,446,853

* *Note.*—These sums include payments made under Section 8.

II.—Appropriation in past Years of Sums paid by India.

4. From the year 1823 to the year 1860–61, India paid, under the Act 4 Geo. 4, c. 71, an annual sum of 60,000 *l.* in aid of non-effective charges.

5. This payment having become insufficient, a Committee reported in 1860 on the subject; and, under the Act 24 & 25 Vict. c. 89, the payment by India in aid of non-effective charges was changed to an annual capitation rate of 3 *l.* 10 *s.* per man on the average strength maintained in India during the year.

For the years 1861–2 to 1869–70 this capitation produced the following sums:—

	£.		£.
1861–2 - - -	220,000	1866–7 - - -	210,000
1862–3 - - -	233,000	1867–8 - - -	220,500
1863–4 - - -	245,000	1868–9 - - -	217,000
1864–5 - - -	217,750	1869–70 - - -	217,000
1865–6 - - -	222,500		

6. We calculate that the pensions payable, for Indian service, in 1883–4 and thereafter (which pensions were paid for by India, as explained in Sections 4 and 5, in the years from 1823 to 1869–70), require for their payment until extinct that a capital sum of 977,135 *l.* should be in hand, and invested at 4 per cent., on the 1st April 1883.

7. In 1870–71 was adopted the present system under which India pays the exact capitalised value (according to the ratio of service in India) of all pensions granted in the year. The annual capitalisations have been as shown in Section 1.

8. As from the 1st April 1874, pensions granted before the 1st April 1870 to men who had served in regiments transferred from the former army of the Hon. East India Company were capitalised. These pensions had previously been paid partly by Britain and partly by India according to a rough estimate of the liability of each country which had been formed by the Commissioners of Chelsea Hospital. This rough estimate assessed the payment by India at a rate inferior to that which would have obtained under the rule stated in Section 7. This reduced payment by India was, however, adopted for the capitalisation, which amounted as on the 1st April 1874 to 244,224 *l.* 1 *s.* 10 *d.* As the claim was not completed till October 1876, interest upon it to that time from the 1st April 1874, should have been paid to make the sum in hand equal to its liabilities. The Treasury, however (by letter of the 25th March 1879), saw fit to waive the claim for this interest, say 25,167 *l.*

9. The pensions payable in each year, from 1870–71 onwards, covered by the capitalisations referred to in Sections 7 and 8, and by the previous payments in Sections 4 and 5, have been, we calculate, as follows:—

ESTIMATE of PENSIONS payable in each Year, from 1870-1 to 1883-4, for which INDIAN PAYMENTS have been made or will be made by way of CAPITALISATION.

	1870-1.	1871-2.	1872-3.	1873-4.	1874-5.	1875-6.	1876-7.	1877-8.	1878-9.	1879-80.	1880-1.	1881-2.	1882-3.	1883-4.
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
Vote 17.—Rewards	138	283	551	793	980	1,254	1,228	1,346	1,464	1,591	2,603	2,802	2,993	3,176
„ 18.—Half-pay „ 19.—Retired Pay	50,152	51,905	55,751	55,790	60,226	62,719	67,678	88,199	95,770	103,418	124,858	170,859	188,535	205,688
„ 20.—Widows, &c.	767	1,858	3,745	5,108	7,522	8,212	11,081	11,793	13,181	17,862	20,641	22,104	23,530	24,776
„ 21.—Wounds	194	263	233	230	162	224	222	219	152	150	342	338	239	235
„ 23.—Out-Pensions	181,091	196,257	209,273	226,140	265,630	291,308	332,371	359,264	403,754	438,720	465,857	484,081	497,194	510,505
TOTAL payable on Army Estimates from 1870-1 to 1883-4, for Indian Pensions Capitalised from 1823 to 1883-4	232,342	250,566	269,553	288,061	334,520	363,717	412,580	460,821	514,321	561,741	614,301	*630,184	*712,491	*744,380
Referable to Capitalisation prior to 1870-1	195,580	187,751	180,110	172,642	165,341	158,225	151,284	144,541	137,969	131,551	125,313	119,211	113,268	107,481
Referable to Capitalisation from 1870-1 to 1883-4	36,762	62,815	89,443	115,419	169,179	205,492	261,296	316,280	376,352	430,190	†488,988	560,973	599,223	636,899

* In these years the pensions are referable to an estimate of the Capitalisation payable by India so far as concerns the pensions first granted in the years 1881-2, 1882-3, and 1883-4.

† *Note.*—In Actuaries' Report, No. 220, of the 21st November 1879, we calculated roughly that the

	£.
pensions payable from British Estimates for the Indian share of Army Pensions capitalised from 1870-1 to 1878-9 would amount to	311,530
To this must be added the charge for pensions capitalised in 1879-80	71,533
And in 1880-81	83,160
And also the ex-Indian pensions referred to in Section 8	18,200
Giving a Total	£. 484,423

Which rough forecast compares with our present calculation of 488,988 *l.*, being within 1 per cent.

10. The sums shown in the last line of the foregoing table represent the money which should have been devoted in each year to the payment of Indian pensions granted from 1870-71 onwards. The difference between such sums and the total sums payable by India constituted, at 4 per cent. interest, the capital out of which the future payments to the same pensions should be made. The British Treasury is consequently liable on the 1st April 1883 for future payments in respect of these pensions, of which the present value is the amount shown in the last column of the subjoined Table.

BRITISH LIABILITY on the 1st April 1883.

YEAR.	Amount Payable on Army Estimates for Indian Pensions. (*See* Section 9.)	Amount actually Paid to Treasury by India. (*See* Section 2.)	Balance.	Balance accumulated at 4 per Cent. to the 1st April 1883.
	£.	£.	£.	£
1870-71 - - - -	36,762	158,500	121,738	194,906
1871-72 - - - -	62,815	167,000	104,185	160,388
1872-73 - - - -	89,443	503,225	413,782	612,498
1873-74 - - - -	115,419	381,148	265,729	378,215
1874-75 - - - -	169,179	280,000	110,821	151,666
1875-76 - - - -	205,492	361,001	155,509	204,639
1876-77 - - - -	261,296	555,830	294,534	372,679
1877-78 - - - -	316,280	248,841	Excess 67,439	Excess 82,049
1878-79 - - - -	376,352	860,000	483,648	565,796
1879-80 - - - -	430,190	746,724	316,534	356,058
1880-81 - - - -	488,988	693,085	204,097	220,751
1881-82 - - - -	560,973	637,500	76,527	79,588
1882-83 - - - -	599,223	700,000	100,777	100,777
		TOTAL - - - £.		3,315,912

11. The Fund which is required to be in hand on the 1st April 1883, and to be producing 4 per cent. interest per annum, in order that the future claims of pensioners (whose Indian pensions have either been paid for or are already owed for by India) shall be met as they come on for payment, must be as follows:—

	£.
A.—The accumulated balances from payments shown in Section 10 -	3,315,912
B.—The debt due by India as in Section 3 - - - - - -	2,446,853
C.—The liability for pensions, payments for which were made by India before 1870-71 (Section 6) - - - - - - -	977,135
D.—The interest (25,167 *l.*) foregone, as explained in Section 8, accumulated to the 1st April 1883 - - - - - - -	32,475
	£. 6,772,375

12. The items A. and B. in Section 11 are so far based on an *estimate* that the Indian capitalisations have not been yet calculated for the years 1881-82 and 1882-83. The annual expenditure on Indian pensions for those years, and also for 1883-84, therefore consists—

	1881-82.	1882-83.	1883-84.
	£.	£.	£.
First—of the calculated amount consequent upon the capitalisations of previous years, viz. - - - -	484,619	468,340	452,277
Note.—The Honorary Colonelcies actually held on the 1st April 1881 are included in this amount.			
Second—of the *estimated* additions for the years 1881-82, 1882-83, 1883-84, viz. - - - - - - - -	76,354	130,883	184,622
TOTAL - - -	560,973	599,223	636,899
Add, calculated amount attributable to Indian payments prior to 1870-71 -	119,211	113,268	107,481
Probable Total Charge on British Estimates for Indian Pensions - -	680,184	712,491	744,380

When the capitalisations are completed, some alterations may be expected in the second line of this table. It is hoped that in future years the capitalisations (which from 1881-82, inclusive, are to be made quarterly) will, when the arrear shall have been once overcome, be completed within three months after the periods to which they refer.

III.—Liabilities of Future Years.

13. The capitalisations up to 1880–81, inclusive, provide for payment of Indian pensions in future years to the following amount:—

Year in which payable.	*a.* Indian Payments up to 1860-61, Section 4.	*b.* Capitation from 1861–62 to 1869–70, Section 5.	*c.* Special Capitalisation of Ex-Indian Pensions, Section 8.	*d.* Capitalisation, 1870–71 to 1880–81.	*e* Total.
	£.	£.	£.	£.	£.
1881-82	26,999	92,212	17,460	467,159	603,830
1882-83	24,787	88,481	16,710	451,630	581,608
1883-84	22,679	84,802	16,000	436,277	559,758
1884-85	20,675	81,165	15,280	421,319	538,439
1885-86	18,778	77,558	14,590	405,884	516,810
1886-87	16,990	73,961	13,930	390,606	495,487
1887-88	15,306	70,396	13,210	375,409	474,321
1888-89	13,726	66,844	12,530	360,614	453,714
1889-90	12,253	62,282	11,890	345,966	433,391
1890-91	10,880	59,771	11,250	332,202	414,103
1891-92	9,607	56,290	10,590	317,743	394,230
1892-93	8,429	52,841	9,954	304,095	375,319
1893-94	7,346	49,426	9,311	290,325	356,408
1894-95	6,356	46,065	8,690	277,748	338,859
1895-96	5,449	42,796	8,054	264,937	321,236
1896-97	4,623	39,614	7,482	252,381	304,100
1897-98	3,879	36,518	6,902	240,031	287,330
1898-99	3,214	33,526	6,368	227,962	271,070
1899-1900	2,627	30,609	5,834	215,636	254,706
1900-1	2,106	27,821	5,309	203,559	238,795
1901-2	1,680	25,031	4,853	191,753	223,317
1902-3	1,365	22,184	4,416	180,057	208,022
1903-4	1,095	19,513	3,972	168,468	193,048
1904-5	866	16,999	3,540	157,140	178,545
1905-6	678	14,636	3,112	146,108	164,534
1906-7	516	12,473	2,773	135,547	151,309
1907-8	388	10,478	2,213	124,940	138,019
1908-9	288	8,675	1,531	114,885	125,379
1909-10	212	7,025	1,315	105,137	113,689
1910-11	152	5,671	1,119	95,791	102,733
1911-12	106	4,671	923	87,067	92,767
1912-13	71	3,890	809	77,615	82,385
1913-14	45	3,047	632	69,020	72,744
1914-15	27	2,413	499	61,166	64,105
1915-16	15	1,858	373	52,999	55,245
1916-17	7	1,411	301	45,235	46,954
1917-18	3	1,043	228	38,962	40,236
1918-19	- -	761	176	33,346	34,283
1919-20	- -	537	135	27,277	27,949
1920-21	- -	367	93	21,243	21,703
1921-22	- -	238	62	17,587	17,887
1922-23	- -	142	42	14,076	14,260
1923-24	- -	76	21	11,265	11,362
1924-25	- -	32	10	9,222	9,264
1925-26	- -	4	- -	7,130	7,134
1926-27	- -	1	- -	5,527	5,528
1927-28	- -	- -	- -	4,142	4,142
1928-29	- -	- -	- -	3,142	3,142
1929-30	- -	- -	- -	2,290	2,290
1930-31	- -	- -	- -	1,654	1,654
1931-32	- -	- -	- -	1,161	1,161
1932-33	- -	- -	- -	772	772
1933-34	- -	- -	- -	473	473

YEAR IN WHICH PAYABLE.	*a.* Indian Payments up to 1880-81. Section 4.	*b.* Capitation from 1861-62 to 1869-70. Section 5.	*c.* Special Capitalisation of Ex-Indian Pensions. Section 8.	*d.* Capitalisation, 1870-71 to 1880-81.	*e.* TOTAL.
	£.	£.	£.	£.	£.
1934-35	-	-	-	297	297
1935-36	-	-	-	150	150
1936-37	-	-	-	76	76
1937-38	-	-	-	16	16
1938-39	-	-	-	9	9
1939-40	-	-	-	5	5
1940-41	-	-	-	2	2
1941-42	-	-	-	1	1

14. The totals given in Section 13 represent the expenditure which can fairly be calculated as coming on hereafter, in respect to the capitalisations which have been actually made; that is, up to the year 1880-81. As each later year's capitalisation is completed, these totals for future years would have one item added to each; a corresponding item being eliminated from the *estimated* portion of the calculation shown in Section 16.

15. In Section 9 we show the estimated expenditure on the votes, which, according to our calculations, may be regarded as having taken place in 1881-82 and 1882-83, and as being probable in 1883-84, as a result of the capitalisation for those and previous years. Considering the large element in capitalisation afforded by voluntary retirement and the consequent uncertainty as to the amount in future years, we should have preferred to have stopped at this point, which includes three hypothetical years. Sir Reginald Welby has, however, expressed a wish to have a forecast for the next 10 years, and we have accordingly made, vote by vote, the best estimate we can. For the reasons stated above, it is improbable that it will be verified so far as individual years are concerned.

16. Taking as a foundation the totals arrived at from past capitalisations, as shown in Section 13, and adding to them our estimate of the expenditure consequent on Indian payments for years for which the capitalisation has not yet been completed, we find that the total charge on British Estimates for non-effective charges incurred on account of Indian service may be expected, during the next 10 years, to be as follows:—

YEAR.	Total from past Capitalisations. Section 13.	Estimate for Capitalisations not yet Completed.	Total probable Charge on Estimates.
	£.	£.	£.
1884-85 - - - -	538,439	252,027	790,466
1885-86 - - - -	516,810	313,986	830,796
1886-87 - - - -	495,487	371,668	867,155
1887-88 - - - -	474,321	432,565	906,886
1888-89 - - - -	453,714	491,392	945,106
1889-90 - - - -	433,391	546,320	979,711
1890-91 - - - -	414,103	596,470	1,010,573
1891-92 - - - -	394,230	643,463	1,037,693
1892-93 - - - -	375,319	687,087	1,062,406
1893-94 - - - -	356,408	725,734	1,082,142

17. The capitalisations payable by India, which, with those of previous years, would have provided the estimate charges shown in Section 16, would be:—

YEAR.	Capitalisation.	YEAR.	Capitalisation.
	£.		£.
1884-85 - - -	738,279	1889-90 - - -	841,668
1885-86 - - -	793,261	1890-91 - - -	816,925
1886-87 - - -	801,575	1891-92 - - -	798,902
1887-88 - - -	858,634	1892-93 - - -	781,719
1888-89 - - -	860,796	1893-94 - - -	736,471

 18. Assuming

18. Assuming that India pays, irrespective of arrears, in each year the capitalisation due, the estimate charges, shown in Section 16, would require for their payment out of the accumulation, shown in Section 11, sums which on the 1st April 1883 are represented by a present value of 1,086,144*l.*

YEAR.	Estimated Charge on Estimates.	Estimated Indian Capitalisation.	Estimated Deficiency of Capitalisation.	Present Value on 1 April 1883 of Estimated Deficiency (4 per Cent.).
	£.	£.	£.	£.
1883-4 - - - -	744,380	730,000	14,380	13,827
1884-5 - - - -	790,466	738,279	52,187	48,250
1885-6 - - - -	830,796	793,261	37,535	33,369
1886-7 - - - -	867,155	801,575	65,580	56,058
1887-8 - - - -	906,886	858,634	48,252	39,660
1888-9 - - - -	945,106	860,796	84,310	66,647
1889-90 - - - -	979,711	841,668	138,043	104,901
1890-1 - - - -	1,010,573	816,925	193,648	141,497
1891-2 - - - -	1,037,693	798,902	238,791	167,771
1892-3 - - - -	1,062,406	781,719	280,687	189,622
1893-4 - - - -	1,082,142	736,471	345,671	224,542
			£.	1,086,144

	£.
19. The balance due on the 1st April 1883, as shown by Section 11, is - - - - - -	6,772,375
This, as shown in Section 18, will have to be drawn upon during the next 10 years to an amount of which the present value is - - - -	1,086,144
Leaving on the 1st April 1883 a capital to accumulate at interest of - -	£. 5,686,231

No further demand need be expected on this before the year 1894-5, by which time it will have accumulated, at 4 per cent. interest, to 8,753,682 *l.*, which at 4 per cent., will produce in perpetuity a revenue of 350,147 *l.*

20. It is probable that by the year 1894-5 the annual vote will have reached, or nearly reached, its maximum, after which it will gradually fall, and the Indian capitalisation will be diminishing towards its normal amount. The difference between the vote and the capitalisation, will, we estimate, average about 350,000 *l.* a year, so that the interest on capital will cover, in perpetuity, the deficiency in Indian payments.

21. In order to make the statements in this calculation as useful as possible we would suggest that as each year's Indian capitalisation is determined, the figures should be recast by removing one estimated year, and inserting one actual year.

Denham Robinson.
Robert Davey.

31 January 1883.

— No. 3. —

The Secretary to the Treasury to the Financial Secretary, War Office.

Treasury Chambers,
24 August 1883.

Sir,

1. I AM directed by the Lords Commissioners of Her Majesty's Treasury to acquaint you, for the information of the Secretary of State for War, that they have carefully considered the clear and exhaustive report of the actuaries of the 31st January last, enclosed in Mr. Knox's letter of 17th March, on the subject of the arrears due by the Government of India to the Imperial Government in respect of the home non-effective charges of troops serving in India. It is difficult to over-estimate the value of such a report, and my Lords can only state their belief that if the Treasury and War Office had had before them in 1870 a similar calculation of the liabilities already incurred or about to be incurred, a different and more satisfactory arrangement would have been concluded.

2. The case is this: India pays her own military charges. Her military force consists in great part of regiments belonging to the British Army, about one-third of that army being stationed in India. But the pension, or non-effective charge of the whole of the British Army, whether in India or elsewhere, is paid out of Army Votes, *i.e.*, out of the Imperial Exchequer, and India has therefore to repay to the Imperial Exchequer her share of such non-effective charge, for if she does not do so, the British taxpayer must make up the deficiency, contributing to that extent to the military charges of India.

3. From the year 1823 up to the present time, three different arrangements have been in force.

(1.)—1823 to 1860-61.

From 1823 to 1860-61, India paid to the Imperial Exchequer, under Act of Parliament, a fixed annual sum of 60,000 *l.* in reimbursement of her share of non-effective allowances defrayed out of Army Votes, being an amount much less than her proper charge. During this period, therefore, the British taxpayer was defraying part of the military charge of India. A Committee which sat in 1859-60 reported that if the arrangement were then changed, the Indian share of pensions granted previous to such alteration would amount to 128,000 *l.* a year, and the actuaries of the War Office estimate the cost of these pensions payable in the year 1883-84 at 22,000 *l.*

(2.)—1861-62 to 1869-70.

4. In 1861-62 a new arrangement was adopted, and India paid under it to the Imperial Exchequer, an annual sum of 3 *l.* 10 *s.* per man on the average strength of the British regiments in India during the year. The Committee of 1859-60 reckoned the annual non-effective charge of an army of 30,000 in India at 200,000 *l.* per annum, and the War Office actuaries in the Report now under consideration reckon the charge of Indian pensions paid out of Army Votes in 1870-71 at 232,000 *l.* It may be assumed therefore that the average annual charge during the nine years was about 220,000 *l.*, and as the average annual sum received from India during those years was in round figures 220,000 *l.*, the contribution from India paid into the Exchequer during those nine years may be roughly said to have equalled the charge of Indian pensions, including those granted prior to 1861-62, paid out of the Exchequer. Objection, however, was taken to the somewhat rude manner in which this result was obtained, and the India Office and the War Office proposed, and the Treasury agreed to a new arrangement, viz., that now in force.

(3.)—1870-71 to 1882-83.

5. Under this arrangement the Departments ascertain every year the exact amount of the Indian non-effective charge which first becomes payable in that year, that is to say, the ratio of Indian to other service of every soldier placed on the pension list within the year, and the actuaries capitalise the amount so

ascertained on the basis of interest at 4 per cent. India pays the capitalised amount over to the British Government, and is quit of the charge for ever. This method is much more exact that that previously in force, and if the transaction had been completed on the same exact principle, very little difficulty would have been experienced. For that purpose the Imperial Government ought to have invested the sum received each year from India at 4 per cent., and ought, out of the fund thus created, to have paid over to the Exchequer in each year the actual charge on Army Votes for that year of Indian pensions granted in and after 1870-71. If this had been done, if India had paid up the capitalised value of each pension as soon as the pension itself became payable, and if the Imperial Government could have invested the sum received at 4 per cent., the result would have been equilibrium, and India would have paid her own non-effective charge, so far as pensions granted in and after 1870-71 are concerned, without trespassing on the Imperial Exchequer.

6. These precedent conditions, however, were not realized. The policy of the Treasury and of Parliament was opposed to the creation of special funds invested in public securities and producing interest to be appropriated in aid of public expenditure, and the general rule of the imperial administration requires that all monies of the nature of income or revenue should be paid into the Exchequer to the credit of the year in which they are received. In pursuance of this rule the yearly payments made by India on account of non-effective allowances were paid into the Exchequer as received. There can be little doubt now that this method of proceeding was mistaken; that the amount of Indian pensions paid out of Army Votes should have been calculated year by year; that the sums received from India should have been invested, and it should have been ascertained year by year whether the Exchequer was gaining or losing under the somewhat complex system of repayment adopted.

7. But further, if the Exchequer ought to escape loss, the sum for which each pension was capitalised should have been paid over by India at the date when the pension itself became payable out of Army Votes. This was not the case. The War Office and India Office did not complete their calculations until two or more years had elapsed from the time when the pensions became payable; in the meantime India paid only a sum on account, which as experience has proved, fell far short of the sum proved to be due, and the Exchequer lost interest on the balance. Lastly, the British Government could not invest at 4 per cent.

8. So far it is evident that the conditions of the actuarial problem have not been observed, and that the result must be, as it has been, a loss to the Exchequer.

9. But this is not all. It has been shown that the contributions paid by India on account of her non-effective charge between 1823 and 1860 were altogether inadequate to the charge itself, and that the British Exchequer lost heavily during that period; it has also been shown that between 1861 and 1870 the sum received from India, and paid into the Exchequer, as nearly as possible equalled the sum paid out of the Exchequer. The War Office actuaries calculate that there was in 1870-71 a charge on the War Office Estimates of 196,000 *l.* on account of pensions granted prior to 1870-71, and that this charge will not finally expire until 1926. The new arrangement of 1870-71 only dealt with the men who retired in that and subsequent years. It made no provision for a contribution from India in repayment of Indian Pensions existing at the commencement of that year, but the Exchequer had paid more than it had received up to 1860, and had only received as much as it paid between 1860 and 1869. The Imperial Government had therefore after 1869-70 no assets in hand to meet the charge of Indian pensions granted up to that year, and as India was to make no further contribution on account of these pensions it is clear that every payment out of Army Votes after 1869-70, on account of Indian pensions payable at the beginning of 1870-71, was a direct gift to India. My Lords have calculated the value of these future payments at the beginning of 1870-71, and find that at 4 per cent. it amounted to about 2,300,000 *l.*, and at 3 per cent. to about 2,560,000 *l.* The Government of India has constantly complained that the Imperial Government exacts too much for Army charges from the Indian Exchequer. My Lords fear that these complaints have been somewhat one-

sided,

sided, for they do not recollect that the Indian Authorities thought this free gift from the Imperial Exchequer of near 2,500,000 *l.* deserving even of mention as a set-off upon the other side.

10. The attention of my Lords was directed, some time since, to the unsatisfactory working of the present arrangement, and it became evident, on examination, that under it the Exchequer was suffering loss. The difficulty was to provide the remedy, and it should be added that the extent of the loss was not measured, until the receipt of the Actuaries' Report now under consideration.

The gist of the Report is to be found in paragraph 11, which shows that if the Indian share of the non-effective service paid from Army Votes is not to create a charge on the taxpayer of the United Kingdom, the Treasury ought to have held at the close of the last financial year on account of the Indian contribution for non-effective service a sum of 6,772,375 *l.* invested at 4 per cent. interest. At that time they had only 100,000 *l.* on that account in the hands of the Paymaster General; and as a large part of the sums on deposit with the Paymaster General are invested in Exchequer Bills, it may be said that that sum was invested at interest varying from $2\frac{1}{2}$ to 3 per cent.

11. At the same time, however, the Government of India owed to the Imperial Government 2,144,824 *l.*, being their contribution overdue but not paid up.

12. If interest were charged upon this arrear the debt would amount to 2,446,853 *l.*, but the Secretary of State in Council of India has expressed his views, in a letter dated 2nd March last,* a copy of which is enclosed, from which Lord Hartington will learn that Lord Kimberley will only allow interest on the amounts in arrear for 1876-77, 1877-78, 1878-79, and 1879-80, and upon these accounts only from the date of the Actuaries' Report. He refuses interest altogether on the arrears of 1880-81, 1881-82, and 1882-83, upon which the actuaries have not yet reported.

13. My Lords calculate the amount of interest thus admitted at about 110,000 *l.*

14. The result therefore is as follows: My Lords had in hand on the 31st March a sum, including interest, of about 102,500 *l.*, and the Government of India acknowledged a debt due to the Imperial Government of about 2,254,000 *l.*, making a total asset of 2,356,000 *l.*

15. On the other hand, the actuaries assess the liability of the Imperial Government at 6,772,375 *l.*

The balance of 4,416,000 *l.* (or 4,223,000 *l.* on the actuaries' computation), must at some time or other be made good out of the Consolidated Fund, *i. e.*, it must be provided out of the taxes of the United Kingdom.

16. In order to prevent misunderstanding, my Lords note that the actuaries, for convenience sake, carry the receipt actually due from India on the 31st March to the account of the next year. A sum of 250,000 *l.* received on 31st March last has in consequence been excluded from the account up to 31st March last. It is necessary to bear this in mind in handling the figures of the period to which the report refers. It may be noted further, that although the report extends to the 31st March last the figures for the year 1880-81, 1881-82, and 1882-83 are not yet ascertained, and are therefore subject to correction.

17. Subject to these savings, my Lords proceed to examine the figures which the actuaries place before them.

In the first place, they remark that even if the sum of 6,772,375 *l.* was at this moment at their disposal, the taxpayer of the United Kingdom could not escape a charge for Indian pensions. The arrangement between the United Kingdom and India assumes that the capitalised sum paid yearly by India will be invested, and will accumulate at 4 per cent. It is well known that the English Government can only invest now at 3 per cent., and it would therefore require the investment of a larger sum than 6,772,000 *l.* to secure the desired result. The difference must be added to the charge imposed upon the British taxpayer.

18. Further, the actuaries assume that India pays the capitalised value of the pensions as soon as the pensions themselves become payable, or at most within

* *See* House of Commons' Paper, No. 342 of 1884, 2nd Enclosure in No. 8.

within a few months of that date, but unluckily her action is not so prompt; first, because the capitalised amount cannot be ascertained until some time after date; and next, because when the amount has been ascertained, she only pays in accordance with her financial convenience. Thus, as very large amounts were proved to be due during the time of the late Indian famine and of the Afghan War, the Treasury did not urge immediate payment, out of consideration for the financial pressure to which India was subjected. It is doubtful whether the Indian Government understood or appreciated this forbearance.

19. Nor must it be forgotten that the loss from assuming too high a rate of interest is not confined to the sum of 6,772,000 *l.*, but applies equally to each capital sum to be yearly assessed hereafter. My Lords think it very important that Parliament and the public should clearly know the amount of the subsidy so to be paid out of the Exchequer for the benefit of India, and they would be glad to receive an estimate from the actuaries of the loss arising on the assumed payments up to 1893–4, supposing India to make these payments six months or twelve months in arrear, and the sums received to earn 3 instead of 4 per cent.

20. The first item in paragraph 11 is "accumulated balance against the Exchequer, arising from payments having been made into the Exchequer during past years in excess of the actual charge of Indian pensions borne on Army Votes."

21. This item amounts to the large sum of 3,315,912 *l.* The responsibility for such over-payment rests with the Treasury, which, as has been above explained, followed a general rule of policy without recognising that a contribution of this nature should be treated exceptionally. My Lords have already recorded their impression that the misapprehension which caused the error is chiefly due to the fact that the important change of 1870 was made without the assistance of such an actuarial report as that under consideration. It was thus extremely difficult for the Departments concerned to understand or appreciate the financial results of the change which they were about to adopt.

22. The next item in paragraph 11 is the debt still due by India, reckoned by the actuaries at 2,446,853 *l.*, but admitted by Lord Kimberley at about 2,250;000 *l.*; so that on this item there may arise a deficit of 200,000 *l.*, to be made good eventually out of the Consolidated Fund.

	£.
23. The third and fourth items are a liability for pensions granted before 1870 - - - - - - - - -	977,135
Interest foregone by the Treasury on the capitalisation of certain ex-Indian soldiers' pensions - - - -	32,475
£.	1,009,610

The first of these sums is the remnant of the free gift to India, the value of which has been stated above as amounting in 1870 to 2,300,000 *l.* or 2,500,000 *l.*

24. My Lords have now to consider the steps which should be taken to make good the loss already incurred by the Exchequer, and to prevent, if possible, a recurrence of it for the future. The debt eventually payable out of the Consolidated Fund is from 4,200,000 *l.* to 4,400,000 *l.*, assuming interest to be earned at the rate of 4 per cent., but, as that rate cannot be earned, the debt is in reality larger. The debt moreover must constantly increase because the capitalised sum assessed each year on India is reckoned at 4 per cent., and will not when invested suffice to cover the pension charge for which it is commuted, while further loss to the Exchequer results from the long delay in assessing year by year the capitalisation due by India.

25. My Lords assume that the Secretary of State will agree with them that India ought to pay its proper share of the pensions payable in respect of the services rendered by Her Majesty's forces in India, and that no charge ought to be imposed upon the Exchequer in respect of such pensions.

26. This

26. This, however, is impossible. The Imperial Government must pay without claim to reimbursement the annual charge of Indian pensions granted before 1870–71. My Lords have shown that the abandonment of any claim on that account was equivalent to a gift in 1870 of nearly 2,500,000 *l.* to India. The charges of these old pensions is estimated for the current year at 107,000 *l.*, and it will not expire altogether until 1926. But further loss to the Exchequer arises under the present arrangements from delay on the part of India in paying her contribution, and also from fixing the basis of the commutation on a rate of interest which my Lords cannot earn. They do not anticipate that the Indian Government will be ready to accept a change in the rate of interest, and it is clear that delay must inevitably occur in ascertaining the amount of pensions to be capitalised, and in agreeing upon the capitalisation value. My Lords would therefore suggest for the consideration of the Secretary of State the following measures:

1. That the capitalisation arrangement should cease from 1st April next; that in the year 1884-85 and succeeding years India should repay to Army Funds her share of Army pensions granted on and after 1st April next, and paid out of Army Votes.

2. That the amount of Indian pensions become payable up to 31st March last, but not yet ascertained, be ascertained, and the capital value of them assessed as soon as practicable; and further, that arrangements be made for ascertaining and capitalising as soon as practicable, the Indian pensions coming first into charge in the current financial year. My Lords will sanction any reasonable charge for assistance to the actuaries, if that should be found necessary.

3. That the Indian Government be permitted to convert its debt up to 31st March next into an annuity for a given number of years, say eight or ten, the annuity being so calculated that the sums unpaid by India shall bear the same rate of interest as that in use for the capitalization, viz., 4 per cent.; but that interest on the outstanding debt from the time that it became due be made a condition of such conversion.

4. That the actuaries of the War Office be requested to calculate the liability of the Consolidated Fund for Indian pensions granted; 1, up to 31st March last; 2, up to 31st March next, interest being assumed at 3 per cent. These calculations can, of course, only be made when the assessment of the sums due by India up to these dates have been completed.

5. That the contribution to be received from India up to 31st March next in excess of the Indian Pension Charge computed by the actuaries to be payable out of Army Votes in the current year, viz., 636,899 *l.*, and the sums now on deposit with the Paymaster General on account of Indian Non-effective Service, be deducted from the liability of the Consolidated Fund as ascertained under suggestion 4.

6. That the balance of the Consolidated Fund liability then remaining uncovered be liquidated by an annuity payable for such period as may be agreed upon.

This measure will have the following effect on the finance of the ensuing and future years:—Whereas during several years after 1870–71 larger sums were paid into the Exchequer out of the Indian contribution than the actual charge of Indian pensions paid out of the Exchequer during those years; and whereas, during the two or three last years an endeavour has been made to restrict the sums paid into the Exchequer to the actual charge of Indian pensions paid out of the Exchequer; in 1884–85 and subsequent years the sums paid out of the Exchequer on account of Indian Pensions charged to Army Votes, will exceed, during the currency of the annuity, the sums paid into the Exchequer on account of the Indian contribution by the amount of the annuity. The change will, of course, be unfavourable to Army finance by that amount; but my Lords would point out that sooner or later such an unfavourable change cannot be avoided; that one day or other the Consolidated Fund must bear the charge which it has incurred, and that postponement will only make the burthen heavier. The scheme which my Lords propose puts an end to future loss, and meets the loss

already incurred by a moderate yearly provision. It will lie with my Lords to devise the machinery by which effect will be given to their suggestion; the description of it would be somewhat complex; they have, therefore, confined themselves to stating the general result. They would be glad if the Secretary of State would give their proposals his early consideration, as the arrangements, of whatever nature they may be, putting an end to the present growing liability of the Consolidated Fund, must be completed with the least practicable delay.

I am, &c.
Leonard Courtney.

The Financial Secretary,
War Office.

— No. 4. —

The Financial Secretary, War Office, to the Secretary to the Treasury.

Financial Secretary's Department,
War Office, 31 January 1884.

Sir,

I AM directed by the Secretary of State for War to acknowledge the receipt of your letter of 24th August last, having reference to the subject of the arrears due by the Government of India to the Imperial Government, in respect of the non-effective charges of troops serving in India, and to the proposed change in the system now in force of the capitalisation of non-effective charges due by India.

In reply, I am to state that Lord Hartington is prepared to assent to the cessation of the capitalisation arrangement from 1st April next, and also, subject to the following conditions, to the proposals as regards the future settlement of these charges, as set forth in their Lordships' suggestions in page 5 of the letter now under reply.

1. His Lordship has no objection to offer to the proposal to raise by means of an annuity the sum necessary to produce the accumulated balance against the Exchequer (3,315,912 *l.*), arising from payments having been made into the Exchequer during past years, in excess of the actual charge of Indian pensions borne on Army Votes. But, inasmuch as Army Votes have not had any benefit or credit of those sums, he is most strongly of opinion that the duty of raising the required annuity should not be imposed on this Department, and further, that it should not be in any way mixed up with Army Votes.

2. As to the process to be adopted hereafter, when capitalisation has ceased, I am to observe that if the pension of every non-effective officer and man is to be divided into two sums in every account, the one to be charged to Army and the other to be claimed from Indian Funds, such a course would create a maximum of administrative disturbance, involving a considerable addition to the clerical staff, both at this office and at out-stations, and in all probability at the Indian Office as well.

On the other hand, it is possible when the pension is determined, to forecast actuarily in each case the sum which will be payable in each future year, and so, by a cumulative process, to recover from India, at the beginning of every financial year (or, if necessary, quarter), a sum which shall suffice to pay the Indian share of the non-effective pay granted after 1883-84, payable in such year or quarter. This mode of settlement will be equitable to both departments, if a fair life table is employed, and there will be no complication in the matter of the rate of interest involved. More work must of necessity be thrown on the Actuarial Branch of this Office, but the administrative arrangements under this scheme of settlement would remain the same as at present, and this is, in Lord Hartington's opinion, essentially necessary.

I have, &c.
(signed) *R. H. Knox.*

The Secretary, Treasury.

— No. 5. —

*Actuaries' Report, No. 321.

Actuarial Report on the Capitalization of Charges against India for Non-Effective Services, as on the 1st April 1884.

(Called for by Treasury Letter of the 24th August 1883.)

I.—Indebtedness of India.
II.—Appropriation in past Years of the Sums paid by India.
III.—Liabilities of Future Years.

I.—Indebtedness of India on 1st April 1884.

1. Taking the Capitalization of a year to be due at that year's expiration, the gross amount chargeable to India, accumulated at 4 per cent. interest to the 1st April 1884, may be estimated to stand as follows:—

Indian Liability accumulated to 1st April 1884.

Year.	Capitalized Amount of Proportion of Pensions in respect of Service in India.	Amount at 4 per Cent. Interest of the Capital Sum in previous Column, on 1st April 1884.
	£. s. d.	£.
1870-71 - - - -	428,724 17 3	713,857
1871-72 - - - -	281,147 18 –	450,126
1872-73 - - - -	318,500 10 6	490,316
1873-74 - - - -	348,329 19 9	515,614
1874-75 - - - -	428,841 1 2	610,374
1875-76 - - - -	543,085 2 7	743,250
1876-77 - - - -	765,977 – –	1,007,971
1877-78 - - - -	730,756 10 –	924,640
1878-79 - - - -	855,948 17 9	1,041,389
1879-80 - - - -	886,141 11 5	1,036,660
1880-81 - - - -	917,681 10 –	1,032,266
Total - - - £.	6,505,134 18 5	8,566,463
1881-82 (estimated) - -	950,000 – –	1,027,520
1882-83 (estimated) - -	722,000 – –	750,880
1883-84 (estimated) - -	750,000 – –	750,000
	8,927,134 18 5	11,094,863
Capitalization of Pensions of Ex-Indian Soldiers referred to in section 8, from 1 October 1876 - - - - -	244,224 1 10	327,746
£.	9,171,359 – 3	11,422,609

* This Report is substantially the same as that printed on page 3; the calculations are carried to a later date, and the figures altered in consequence. The two Reports are printed *in extenso*, in order to make the sequence of the papers intelligible, and to facilitate reference.

2. Similarly, the sums paid by India, accumulated at 4 per cent. interest to the same date, viz., the 1st April 1884, will have amounted to the total stated below :—

INDIAN PAYMENTS accumulated to 1st April 1884.

Payments to Imperial Government.			Amount of Sum shown in previous Column, accumulated at 4 per Cent. Interest, to the 1st April 1884.
Nearest Quarterly Date.	Amount.		
	£. s. d.		£.
1st October 1870	108,500 – –		184,272
1st January 1871	50,000 – –		84,086
1st April „	55,000 – –		91,579
1st July „	56,000 – –		92,347
1st October „	56,000 – –		91,450
1st April 1872	353,224 17 3		565,522
1st July „	75,000 – –		118,923
1st October „	75,000 – –		117,767
1st April 1873	171,147 18 –		263,473
1st July „	70,000 – –		106,727
1st October „	70,000 – –		105,692
1st January 1874	70,000 – –		104,655
1st April „	70,000 – –		103,619
1st July „	70,000 – –		102,621
1st October „	70,000 – –		101,623
1st January 1875	70,000 – –		100,627
1st April „	98,500 10 6		140,197
1st July „	87,500 – –		123,339
1st October „	87,500 – –		122,145
1st January 1876	87,500 – –		120,948
1st April „	87,500 – –		119,750
1st July „	168,329 19 9		228,156
1st October „	100,000 – –		134,224
1st January 1877	200,000 – –	*	265,817
1st July „	248,841 1 2		324,310
1st April 1878	500,000 – –	*	632,660
1st July „	137,500 – –		172,307
1st October „	137,500 – –		170,735
1st January 1879	85,000 – –		104,449
1st April „	290,000 – –		352,827
1st October „	275,000 – –		328,146
1st January 1880	181,724 1 10	*	214,686
1st April „	280,585 2 7		328,238
1st July „	137,500 – –		159,309
1st October „	137,500 – –		157,761
1st January 1881	137,500 – –		156,215
1st April „	187,500 – –		210,912
1st July „	150,000 – –		167,107
1st October „	150,000 – –		165,484
1st January 1882	150,000 – –		163,862
1st April „	250,000 – –		270,400
1st July „	150,000 – –		160,620
1st October „	150,000 – –		159,120
1st January 1883	150,000 – –		157,560
1st April „	450,000 – –		468,000
1st July „	200,000 – –		206,060
1st October „	200,000 – –		204,020
1st January 1884 (assumed)	200,000 – –		202,000
TOTAL £.	7,342,853 11 1		9,226,407

* *Note.*—These sums include payments made under Section 8.

3. The indebtedness of India on the 1st April 1884, may therefore be estimated at the difference between these amounts :—

	£.
Due - - - - - - -	11,422,609
Paid - - - - - - -	9,226,407
Owing - - - - -	£. 2,196,202

II.—Appropriation in past Years of Sums paid by India.

4. From the year 1823 to the year 1860-61, India paid, under the Act 4 Geo. IV. c. 71, an annual sum of 60,000 *l.* in aid of non-effective charges.

5. This payment having become insufficient, a Committee reported in 1860 on the subject; and, under the Act 24 & 25 Vict. c. 89, the payment by India in aid of non-effective charges was changed to an annual Capitation rate of 3*l.* 10 *s.* per man on the average strength maintained in India during the year.

For the years 1861-62 to 1869-70 this Capitation produced the following sums :—

	£.
1861-62 - - - - - - - -	220,000
1862-63 - - - - - - - -	233,000
1863-64 - - - - - - - -	245,000
1864-65 - - - - - - - -	217,750
1865-66 - - - - - - - -	222,500
1866-67 - - - - - - - -	210,000
1867-68 - - - - - - - -	220,500
1868-69 - - - - - - - -	217,000
1869-70 - - - - - - - -	217,000

6. We calculate that the pensions payable for Indian service in 1884-85 and thereafter (which pensions were paid for by India, as explained in sections 4 and 5, in the years from 1823 to 1869-70), require for their payment until extinct that a capital sum of 904,440 *l.* should be in hand, and invested at 4 per cent., on the 1st April 1884.

7. In 1870-71 was adopted the present system under which India pays the exact capitalized value (according to the ratio of service in India) of all pensions granted in the year. The annual capitalizations have been as shown in section 1.

8. As, from the 1st April 1874, pensions granted before the 1st April 1870 to men who had served in regiments transferred from the former army of the Honourable East India Company were capitalized. These pensions had previously been paid partly by Britain and partly by India, according to a rough estimate of the liability of each country which had been formed by the Commissioners of Chelsea Hospital. This rough estimate assessed the payment by India at a rate inferior to that which would have obtained under the rule stated in section 7. This reduced payment by India was, however, adopted for the capitalization, which amounted, as on the 1st April 1874, to 244,224 *l.* 1 *s.* 10 *d.* As the claim was not completed till October 1876, interest upon it to that time from the 1st April 1874, should have been paid to make the sum in hand equal to its liabilities. The Treasury, however (by letter of the 25th March 1879), saw fit to waive the claim for this interest, say 25,167 *l.*

9. The pensions payable in each year, from 1870-71 onwards, covered by the capitalizations referred to in sections 7 and 8, and by the previous payments in sections 4 and 5, have been, we calculate, as follows :—

ESTIMATE of PENSIONS Payable in each Year, from 1870-71 to 1883-84, for which Indian Payments have been made, or will be made, by way of Capitalization.

	1870-71.	1871-72.	1872-73.	1873-74.	1874-75.	1875-76.	1876-77.	1877-78.	1878-79.	1879-80.	1880-81.	1881-82.	1882-83.	1883-84.
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
Vote 17.—Rewards	138	283	551	793	980	1,254	1,228	1,346	1,464	1,591	2,542	2,744	2,934	3,118
„ 18.—Half-pay „ 19.—Retired Pay	50,152	51,905	55,751	55,790	60,226	62,719	67,678	88,199	95,770	103,418	124,488	170,502	188,176	205,341
„ 20.—Widows, &c.	767	1,858	3,745	5,108	7,522	8,212	11,081	11,793	13,181	17,862	20,274	21,731	23,170	24,220
„ 21.—Wounds	194	263	233	230	162	224	222	219	152	150	353	349	250	246
„ 23.—Out-Pensions	181,091	196,257	209,273	226,140	265,630	291,308	332,371	359,264	403,754	438,720	465,737	483,971	497,084	510,405
Total payable on Army Estimates from 1870-71 to 1883-84, for Indian Pensions Capitalised from 1823 to 1883-84	232,342	250,566	269,553	288,061	334,520	363,717	412,580	460,821	514,321	561,741	613,394	*679,297	*711,614	*743,330
Referable to Capitalizations prior to 1870-71	195,580	187,751	180,110	172,642	165,341	158,225	151,284	144,541	137,969	131,551	125,313	119,211	113,268	107,481
Referable to Capitalization from 1870-71 to 1883-84	36,762	62,815	89,443	115,419	169,179	205,492	261,296	316,280	376,352	430,190	488,081	560,086	598,346	635,849

* In these years the pensions are referable to an estimate of the Capitalization payable by India so far as concerns the pensions first granted in the years 1881-82, 1882-83, and 1883-84.

10. The sums shown in the last line of the foregoing table represent the money which should have been devoted in each year to the payment of Indian pensions granted from 1870-71 onwards. The difference between such sums and the total sums payable by India constituted, at 4 per cent. interest, the capital out of which the future payments to the same pensions should be made. The British Treasury is consequently liable on the 1st April 1884 for future payments in respect of these pensions, of which the present value is the amount shown in the last column of the subjoined table.

BRITISH LIABILITY on the 1st April 1884.

YEAR.	Amount payable on Army Estimates for Indian Pensions. (*See* Section 9.)	Amount actually paid to Treasury by India. (*See* Section 2.)	Balance.	Balance accumulated at 4 per Cent. to the 1st April 1884.
	£.	£.	£.	£.
1870-71 - - -	36,762	158,500	121,738	202,702
1871-72 - - -	62,815	167,000	104,185	166,861
1872-73 - - -	89,443	503,225	413,782	636,998
1873-74 - - -	115,419	381,148	265,729	393,343
1874-75 - - -	169,179	280,000	110,821	157,732
1875-76 - - -	205,492	361,001	155,509	212,924
1876-77 - - -	261,296	555,830	294,534	387,586
1877-78 - - -	316,280	248,841	Excess. 67,439	Excess. 85,331
1878-79 - - -	376,352	860,000	483,648	588,428
1879-80 - - -	430,190	746,724	316,534	370,300
1880-81 - - -	488,081	693,085	205,004	230,601
1881-82 - - -	560,086	637,500	77,414	83,731
1882-83 - - -	598,346	700,000	101,654	105,720
1883-84 - - -	635,849	1,050,000	414,151	414,151
			TOTAL - £.	3,865,746

11. The Fund which is required to be in hand on the 1st April 1884, and to be producing 4 per cent. interest per annum, in order that the future claims of pensioners (whose Indian pensions have either been paid for or are already owed for by India) shall be met as they come on for payment, must be as follows:—

	£.
A.—The accumulated balances from payments shown in Section 10	3,865,746
B.—The debt due by India as in Section 3 - - - - -	2,196,202
C.—The liability for pensions, payments for which were made by India before 1870-71 (Section 6) - - - - - -	904,440
D.—The interest (25,167 *l.*) foregone as explained in Section 8, accumulated to the 1st April 1884 - - - - -	33,774
TOTAL - - - £.	7,000,162

12. The items A. and B. in Section 11 are so far based on an estimate that the Indian Capitalizations have not been yet calculated for the years 1881-82, 1882-83, and 1883-84. The annual expenditure on Indian pensions for those years therefore consists—

	1881-82.	1882-83.	1883-84.
1st. Of the calculated amount consequent upon the Capitalizations of previous years, viz. - - - -	£. 483,732	£. 467,453	£. 451,227
2nd. Of the estimated additions for the years 1881-82, 1882-83, 1883-84, viz. - - - - - - - -	76,354	130,883	184,622
TOTAL - - -	560,086	598,336	635,849
Add, Calculated amount attributable to Indian payments prior to 1870-71 -	119,211	113,268	107,481
Probable Total Charge on British Estimates for Indian Pensions - £.	679,297	711,604	743,330

When the Capitalizations are completed, some alterations may be expected in the second line of this Table.

III.—Liabilities of Future Years.

13. The Capitalizations up to 1880-81, inclusive, provide for payment of Indian Pensions in future years to the following amount:—

Year in which Payable.	*a.* Indian Payments up to 1860-1. Section 4.	*b.* Capitation from 1861-2 to 1869-70. Section 5.	*c.* Special Capitalization of Ex-Indian Pensions. Section 8.	*d.* Capitalization 1870-1 to 1880-1.	*e.* Total.
	£.	£.	£.	£.	£.
1881-2	26,999	92,212	17,460	466,272	602,943
1882-3	24,787	88,481	16,710	450,743	580,721
1883-4	22,679	84,802	16,000	435,227	558,708
1884-5	20,675	81,165	15,280	420,426	537,546
1885-6	18,778	77,558	14,590	404,994	515,920
1886-7	16,990	73,961	13,930	389,817	494,698
1887-8	15,306	70,396	13,210	373,745	472,657
1888-9	13,726	66,844	12,530	359,776	452,876
1889-90	12,253	63,282	11,890	345,299	432,724
1890-1	10,980	59,771	11,250	331,383	413,284
1891-2	9,607	56,290	10,590	317,026	393,513
1892-3	8,429	52,841	9,954	303,393	374,617
1893-4	7,346	49,426	9,311	289,898	355,981
1894-5	6,356	46,065	8,690	277,091	338,202
1895-6	5,449	42,796	8,054	264,284	320,583
1896-7	4,623	39,614	7,482	251,765	303,484
1897-8	3,879	36,518	6,902	239,434	286,733
1898-9	3,214	33,526	6,368	227,393	270,501
1899-1900	2,627	30,609	5,834	215,080	254,150
1900-1	2,106	27,821	5,309	202,998	238,234
1901-2	1,680	25,031	4,853	191,230	222,794
1902-3	1,365	22,184	4,416	179,552	207,517
1903-4	1,095	19,513	3,972	167,975	192,555
1904-5	866	16,999	3,540	156,676	178,081
1905-6	678	14,636	3,112	145,654	164,080
1906-7	516	12,473	2,773	135,119	150,881
1907-8	388	10,478	2,213	124,760	137,839
1908-9	288	8,675	1,531	114,495	124,989
1909-10	212	7,025	1,315	104,766	113,318
1910-1	152	5,671	1,119	95,435	102,377
1911-2	106	4,671	923	86,751	92,451
1912-3	71	3,890	809	77,307	82,077
1913-4	45	3,047	632	68,730	72,454
1914-5	27	2,413	499	60,889	63,828
1915-6	15	1,858	373	52,743	54,989
1916-7	7	1,411	301	44,999	46,718
1917-8	3	1,043	228	38,744	40,018
1918-9	-	761	176	33,151	34,088
1919-20	-	537	135	27,102	27,774
1920-1	-	367	93	21,092	21,552
1921-2	-	238	62	17,457	17,757
1922-3	-	142	42	13,966	14,150
1923-4	-	76	21	11,170	11,267
1924-5	-	32	10	9,143	9,185
1925-6	-	4	-	7,054	7,058
1926-7	-	1	-	5,476	5,477
1927-8	-	-	-	4,101	4,101
1928-9	-	-	-	3,110	3,110
1929-30	-	-	-	2,266	2,266
1930-1	-	-	-	1,637	1,637
1931-2	-	-	-	1,148	1,148
1932-3	-	-	-	764	764
1933-4	-	-	-	470	470
1934-5	-	-	-	296	296
1935-6	-	-	-	151	151
1936-7	-	-	-	76	76
1937-8	-	-	-	16	16
1938-9	-	-	-	9	9
1939-40	-	-	-	5	5
1940-1	-	-	-	2	2
1941-2	-	-	-	1	1

14. The

14. The totals given in section 13 represent the expenditure which can fairly be calculated as coming on hereafter, in respect to the Capitalizations which have been actually made, that is, up to the year 1880–81. As each of the three later year's Capitalization is completed, these totals for future years would have one item added to each; a corresponding item being eliminated from the estimated portion of the calculation shown in section 15.

15. Taking as a foundation the totals arrived at from past Capitalizations as shown in section 13, and adding to them our estimate of the expenditure consequent on Indian payments for the three years for which the Capitalization has not yet been completed, we find that the total charge on British Estimates for non-effective charges incurred up to the 31st March 1884 on account of Indian service may be expected, during the next 10 years, to be as follows:—

YEAR.	Total from past Capitalizations up to 1880–81, Section 13.	Estimate for Capitalizations not yet completed, 1881–82, 1882–83, 1883–84.	Total probable Charge on Estimates for Capitalizations up to 1883–84.
	£.	£.	£.
1884–85	537,546	189,586	727,132
1885–86	515,920	182,499	698,419
1886–87	494,698	176,384	671,082
1887–88	472,657	171,404	644,061
1888–89	452,876	166,254	619,130
1889–90	432,724	160,659	593,383
1890–91	413,284	156,032	569,316
1891–92	393,513	150,970	544,483
1892–93	374,617	146,138	520,755
1893–94	355,981	141,392	497,373

16. The liability of the British Exchequer, shown in section 11 as 7,000,162*l.* on the 1st April 1884, is on the assumption that money will be invested at 4 per cent. interest. With interest at only 3 per cent., the total liability, that is, the total sum necessary to have in hand for payment of future pensions, would be 7,713,571 *l.*

17. The Indian debt being taken (as shown in section 11) as 2,196,202 *l.* on the 1st April 1884, that sum would be paid by an annuity for eight years (first payment at end of 1884–85) of 362,197 *l.*, on the understanding that all sums unpaid bear interest at 4 per cent.

18. The sum of 102,500 *l.*, referred to in section 14 of the Treasury letter, may be taken as amounting on the 1st April 1884 (with interest at 3 per cent.) to 105,575 *l.* To this has been added, as we understand, 100,000 *l.* paid on the 30th March 1883, and 164,000 *l.* paid on the 1st January 1884.

These sums will together amount at 3 per cent. on the 1st April 1884, to 373,805 *l.*, which will be a deduction from the 7,713,571 *l.* which is required to be provided, leaving a balance of 7,339,766 *l.*

19. The following sums to be voted annually, with payment at the beginning of each financial year, would produce, by investment at 3 per cent., the total required:—

Period during which Annuity would be Payable.	Gross Annuity required.	Aid from India during first Eight Years.	British Payment during first Eight Years.	British Payment during remainder of Term.	Uniform British Payment during whole of Term.
Years.	£.	£.	£.	£.	£.
10	770,158	326,197	443,961	770,158	461,776
15	567,306	326,197	241,109	567,306	356,869
20	462,276	326,197	136,079	462,276	297,612
25	398,615	326,197	72,418	398,615	260,188
30	356,292	326,197	30,095	356,292	234,679
40	304,368	326,197	Credit—21,829	304,368	202,696
50	274,592	326,197	Credit—51,605	274,592	184,013

War Office,
28 February 1884.

Denham Robinson.
J. G. Ashley.

— No. 6. —

The Secretary of the Treasury to the Under Secretary of State for India.

Sir, Treasury Chambers, 4 March 1884.

I AM directed by the Lords Commisioners of Her Majesty's Treasury to inform you that they have had under consideration the arrangement made in 1870, by which the share of non-effective allowances borne on Army Estimates, but chargeable to India in respect of Her Majesty's regular forces serving in the Indian Empire, is capitalised.

I am to inform you that they find that the British exchequer loses so heavily by that arrangement that they have decided, in concert with the Secretary of State for War, to withdraw from it from the 1st of April next.

They propose accordingly :—

(1.) That the Indian share of Army pensions first coming into course of payment in 1884-85 and subsequent years shall not be capitalised, but shall be paid half yearly as it falls due ;

(2.) That the capitalisation of pensions coming into course of payment up to 31st March 1884, inclusive, shall be completed as soon as practicable ; and

(3.) That the arrear due by India on the 31st March 1884 shall be converted, by agreement with the India Office, into an annuity for eight or ten years.

If these arrangements are accepted in principle, the War Office would be ready to discuss with the India Office the method in which repayment by India of the pension charge coming first into course of payment in 1884-85 and subsequent years can be effected most conveniently to both Departments.

Mr. Cross's letter of 2nd March 1883 states objections to the claim which my Lords had put forward for interest on the sum which India has permitted to fall into arrear. The instances which Mr. Cross cites in support of the objection do not appear to my Lords analogous ; they will not therefore discuss them at length. In the case of capitalisation, prompt payment is an inherent and essential condition of the bargain. Actuaries of the War Office and India Office decide, after a minute investigation, that a certain sum is the present value of an annuity of £*x* for which India is liable. For the joint convenience of the two Governments the Imperial Treasury consents to undertake payment of the annuity in return for the certain sum fixed by the experts as its present value. The transaction is not to be partly a gift from England to India, but an exchange for joint convenience ; and it is only an exchange, if the present value is paid down at present. The terms upon which the present value is determined are already unfavourable enough to England without imposing further loss on the Imperial exchequer.

Nor do my Lords think it altogether becoming that their forbearance to press India at the time of the famine and of the war in Afghanistan should be urged as an argument against them.

It is, however, very desirable that a settlement should be arrived at without further delay ; and my Lords would suggest, as a compromise, that the mean between the debt, as computed by the actuaries up to the 31st March 1883, and the debt as admitted by Lord Kimberley, should be accepted by both parties as a final settlement.

	£.	s.	d.
It will be seen from the enclosed statement by the actuaries of the War Office that the sum due by India (partly estimated), up to 31st March 1883 amounted to - - - - - - - - -	8,437,677	10	3
The amount actually repaid by India, excluding for the moment the sum paid on the 31st March 1883, was - - - - - - - - - - -	6,292,853	11	1
Balance due on the 31st March 1883, previous to payment of a sum on that day - - - £.	2,144,823	19	2

The

The War Office actuaries, in the second column of the two accounts given in the statement enclosed, charge the Government of India with interest at 4 per cent. on the sums as they become due, and credit it with interest at the same rate on the amounts paid up to the 31st March 1883, and the result raises a charge against India of 2,446,853 *l.*

The difference between this sum and 2,144,824 *l.*, or 302,029 *l.*, is the charge for interest as raised by the War Office. My Lords calculate the interest, which the Secretary of State in Council is ready to admit, as described in Mr. Cross's letter of 2nd March 1883, at 109,529 *l.*; the difference is 192,500 *l.*, and a moiety of that difference would be 96,250 *l.*

My Lords would be glad to find that the Secretary of State in Council is ready thus to meet them half way, and should he so decide, the period over which the outstanding balance of capitalisation due by India is to be spread can be adjusted without delay, and the authorities of the War Office and India Office put into communication to decide the most convenient method for adjusting the debt which will be chargeable to India year by year for its share of Army pensions first coming into course of payment on and after 1st April 1884.

I have, &c.
Leonard Courtney.

— No. 7. —

The Secretary to the Treasury to Sir *A. Hayter*, Bart., War Office.

Treasury Chambers,
Sir, 4 March 1884.

I AM directed by the Lords Commissioners of Her Majesty's Treasury to acquaint you, for the information of the Secretary of State for War, that they learn with satisfaction from Mr. Knox's letter of the 31st January that Lord Hartington assents to the cessation of the arrangements under which the pensions of Her Majesty's regular forces on account of service in India are capitalised.

My Lords will be ready to sanction a fair agreement between the India Office and War Office, for forecasting actuarially at the time of the granting of a pension the sum which will be payable on account of it in each future year.

It is evident now that the arrangements for giving effect to the capitalisation scheme of 1870 were imperfect, in consequence partly of imperfect knowledge of the conditions under which the capitalisation payments must be made, but also because sufficient care was not taken to protect the interest of the Exchequer. My Lords feel sure with the exhaustive Reports of the War Office actuaries before them that such error will not be allowed to recur.

In the first paragraph of the letter under reply, the Secretary of State argues that the annuity which must be paid in order to spread the uncovered liability of the Consolidated Fund in respect of Indian pensions over a number of years, should not be imposed upon the War Office, inasmuch as Army Votes have not had benefit or credit from the sums paid by India into the Exchequer in excess of the charge of Indian pensions borne on Army Votes. I am to point out in reply that the charge of Indian pensions on Army Votes must for this subject be divided into pensions granted up to 1870-71, and pensions granted subsequent to 1870-71.

All claim for repayment from India in respect of pensions granted prior to 1870-71 was given up on the recommendation of a War Office Committee, on which my Lords will refrain from an expression of opinion; the Secretary of State accepted the recommendation of the Committee, and submitted it for the approval of this Board. The primary responsibility for the surrender must lie with the War Office, and the War Office must bear the charge of Indian pensions granted before 1870-71.

Turning now to Indian pensions granted since 1870-71, my Lords would remind the Secretary of State that, at Lord Cranbrook's instance, since 1877-78, they have taken a separate Vote for the Home charges of Her Majesty's Forces serving in India, the amount of which is paid over to the War Office, and subtracted by it from the Army Votes. The Secretary of State will remember that this Vote was taken simply as a device to enable the War Office to get credit for the repayments made by India. It appears from the Report of the

actuaries that the actual charge of Indian pensions granted since 1870-71 on Army Votes during the years 1877-78 to 1883-84, amounted to 3,409,000 *l.*, and that the sums paid over to the War Office out of the Indian repayment Vote for the same years will amount to 4,080,000 *l.*, or an excess of 670,000 *l.* over actual charge. My Lords fear, therefore, that the plea that the War Office has not benefited by the over-payments will hardly hold good. As, however, they are anxious as far as they can to meet the wishes of the Secretary of State, they will exclude from Army Estimates the charge of the annuity required to redeem the liability of the Consolidated Fund in respect of the Indian share of pensions granted since 1870-71, making that charge the subject of a separate Vote.

I have, &c.
Leonard Courtney.

Sir A. Hayter, Bart. M.P.,
War Office.

— No. 8. —

The Under Secretary of State for India to the Secretary of the Treasury.

Sir, India Office, 27 March 1884.

I AM directed by the Secretary of State for India in Council to acknowledge the receipt of your letter of the 4th instant, stating that the Lords Commissioners of Her Majesty's Treasury have decided, in concert with the Secretary of State for War, to withdraw, with effect from the 1st of April 1884, from the arrangement made in 1870, by which the Indian share of the non-effective charges of the British Army is capitalised, and the value paid by this office to the Treasury.

In reply, I am directed to state that the Earl of Kimberley does not desire to offer any objection to the termination of the arrangement. The capitalisation of pensions coming into course of payment up to the 31st of March 1884, will be completed by the actuaries of the War and India Offices as soon as practicable, and with regard to pensions coming into course of payment on or after the 1st of April 1884, the India share will be paid half-yearly as it falls due.

You further propose as a compromise, regarding the claim preferred for interest up to the 31st March 1883, that the mean between the debt, as computed by the War Office Actuaries and that admitted by the Secretary of State in Council, should be accepted as a final settlement. From the "Actuaries' Report, No. 306," dated the 31st January 1883, which is transmitted with your letter, it appears that the amount of 8,437,677 *l.* 10 *s.* 3 *d.*, quoted by you as the sum due by India up to the 31st of March 1883 (partly estimated), included the capital sum due for pensions of soldiers transferred from the East India Company's Army, on which interest was waived by the Treasury Letter of the 25th of March 1879; and the figures given in your letter should be corrected by the omission of that capital sum, amounting to 244,224 *l.* 1 *s.* 10 *d.*, from both sides of the account.

	Without Interest.			With Interest.
	£	*s.*	*d.*	£.
With this correction, it appears that the amount estimated as due on the 31st March 1883, is -	8,193,453	8	5	9,964,637
And the sums paid on accounts, prior to the 31st of March 1883, were - - - - - - -	6,048,629	9	3	7,533,227
Leaving an outstanding amount of - - £.	2,144,823	19	2	2,431,410

	£.
The difference of these two sums, or the total interest charge, is -	286,586
While that admitted in Mr. Cross's letter of 2nd March 1883 was	109,529
Showing an excess of - - - - - - - - £.	177,057

And

And Lord Kimberley is ready to accept one-half of that amount, or 88,528 *l.* 10 *s.*, as payable by this office, under the compromise which you propose, instead of 96,250 *l.*, the claim for interest to the 31st of March 1883 being thereby closed.

Subject, then, to the adjustments that may be found necessary in respect of the accounts from the 1st of April 1880, for which only estimates are taken in your letter, the following appears to be a statement of the sum due by this office:—

	£.	£.
Estimated charge on 31st March 1883, excluding interest - -		2,144,824
Deduct, paid on 31st March 1883 - - - - - - -		250,000
		1,894,824
Interest admitted in Mr. Cross's letter of 2nd March 1883 - -		109,529
Moiety of excess, now accepted - - - - - - -		88,528
Total estimated charges, including interest, due from 1st April 1883		2,092,881
Deduct, paid on account in February 1884 - -	£. 1,000,000	
Deduct estimate of over-payment in 1883–84 - - -	100,000	
		1,100,000
		992,881
Add estimated charge for interest from 1st April 1883 to 31st March 1884 - - - - - - - - - - - - -		76,000
Total estimated amount at charge on the 1st April 1884 - -	£.	1,068,881

In your letter it is proposed that the sum thus due shall be converted into an annuity for eight or ten years, an arrangement which is in accordance with the course suggested in the letter from this office, dated the 23rd of April 1879, and repeated at subsequent times. While expressing his sense of the manner in which the Lords of the Treasury have thus shown their willingness to meet the wishes of the Secretary of State in Council, I am desired to point out that recent circumstances have greatly changed the position.

The financial condition of India during the year just closing has rendered it possible to repay 1,000,000 *l.* of the amount in arrear; and the decision to terminate the system of capitalisation will have the effect of very materially reducing the payments due in the next two or three years. There will also be considerable sums due to India for the prospective credits, as mentioned in the last sentence of the Actuaries' Report dated the 24th of August 1871.

Your letter not having been received until the final revision of the probable amount of the Home charges in 1884-85 had been sent by telegraph to India, provision has been made in the Budget for a payment of 800,000 *l.* for these non-effective charges in the coming year, in accordance with Lord Enfield's letter to the Treasury dated the 4th of April 1882.

Lord Kimberley would therefore propose that for the coming year the practice recently adopted, of paying 200,000 *l.* at the commencement of each quarter should be continued; and he is not without hope that it may be found possible to discharge the remainder of the debt in the year 1885–86.

With the view of ascertaining how far it is likely that this result may be accomplished, a copy of this letter will be transmitted to the Secretary of State for War, with a request to be informed of the probable sum due in 1884-85 under the new arrangement.

I have, &c.
J. A. Godley.

— No. 9. —

MEMORANDUM on the method to be adopted in carrying out the decision of the Treasury that the CAPITALISATION of the CHARGES against INDIA for NON-EFFECTIVE PAY, &c., shall be abolished.

1. THE great convenience of the system of capitalisation has lain in the fact that after the Indian liability has been once capitalised, no further accounts had to be rendered to the India Office, as regards the particular pensioner; and it was unnecessary to follow his career, quarter by quarter, for the rest of his life.

2. With capitalisation abolished, and no other system substituted, it would be necessary to mark every officer and man retiring (some thousands yearly), to ascertain the proportion of the retired pay or pension payable by India to follow him up, quarter by quarter, for the remainder of his life, and to divide in each quarter his pension between British and Indian funds. It would thus happen, after a few years, that an account comprising many thousand names, compiled from the pay-lists of all the districts, would have to be made out periodically (probably quarterly) against India, examined, and paid. The labour and consequent expense which this account would throw upon Army Accountants, the War Office, and the India Office it is impossible to estimate, but it may be safely said that it would be enormous.

3. The difficulty felt by the Treasury, which has caused that Department to abolish the capitalisation, is mainly the fact that while India claims discount at 4 per cent., the Treasury is only able to invest the money at 3 per cent. The interest of money being the difficulty, it remains to be seen whether any method can be adopted to avoid the immense labour shown in Section 2.

4. As the interest of money has to be eliminated from the transaction, India can no longer pay up a lump sum on each pensioner which shall extinguish her liability. I propose that at the time of retirement or going to half-pay the transaction shall nevertheless be final; so that there shall be no necessity thereafter of keeping the pensioner in view. Having first ascertained the proper Indian share of the annual payment to each pensioner on the basis of past service [as has hitherto been done under the capitalisation system], I would debit India for the financial year during which the retirement takes place with one-half of her annual share, reduced by the chance of the recipient not living one year. This would be fair on the average.

For later years, the charge against India (settled once for all at the time of retirement) should be the original Indian share, multiplied by the chance of the pensioner being alive in the year.

If fair rates of mortality be adopted, this result must be absolutely just as between the two departments.

5. It would thus be practicable to forecast for each future year the sums which India should pay in respect to the non-effective charges first incurred under each vote in any particular year. The cumulation of these amounts would be the sum India should transfer to Army Votes when the year came. The following is an imaginary table to illustrate my meaning; the columns would be carried on towards the right to the extremity of life:—

VOTE 23.—OUT-PENSIONS.

Year of First Grant of Pension.	Total for Year.	Sum Payable by India in							
		1884–5.	1885–6.	1886–7.	1887–8.	1888–9.	1889–90.	1890–1.	1891–2.
	£.	£.	£.	£.	£.	£.	£.	£.	£.
1884–5 - - - -	42,000	20,900	40,000	38,000	36,000	35,000	34,000	33,000	32,100
1885–6 - - - -	48,000	–	23,800	46,000	44,000	42,000	40,800	39,600	37,000
1886–7 - - - -	45,000	–	–	22,300	43,000	41,000	39,000	37,000	36,000
1887–8 - - - -	–	–	–	–	19,800	38,000	36,000	34,000	32,000
1888–9 - - - -	39,000	–	–	–	–	19,400	37,000	35,000	33,000
1889–90 - - - -	41,000	–	–	–	–	–	20,100	39,000	37,000
1890–1 - - - -	47,000	–	–	–	–	–	–	22,000	45,000
1891–2 - - - -	32,000	–	–	–	–	–	–	–	15,800
&c. - - - -	–	–	–	–	–	–	–	–	–
Payable by India for the Year - -	–	20,900	63,800	106,300	142,800	175,400	206,900	239,600	267,900

Of course, without this method and with the complicated accounts alluded to in Section 2, the charge would be very similar.

6. In the case of temporary non-effective pay, such as half-pay, there would be a counter-charge in favour of India from the year in which the individual should revert to full pay.

7. For

7. For convenience of working, persons pensioned on the same vote in the same year could be grouped together according to age. This would be a detail for the actuaries of the respective offices.

8. The Life Table to be employed should, I submit, be as follows:—

For Officers.—Officers' experience (1800-70).

" (for Wounds Pensions), the same table depreciated 10 years.

For Warrant Officers and Men.—Pensioners' experience, *with* and *without* Indian Service (1822-70).

For Widows and Children.—Finlaison's Government Annuity Table.

D. R.

26 April 1884.

— No. 10. —

Assistant Under Secretary of State for India to the Under Secretary for War.

Sir, India Office, S.W., 22nd August 1884.

I AM directed by the Secretary of State for India in Council to acknowledge the receipt of your letter of the 8th of July, forwarding a copy of a memorandum by Mr. Robinson, explaining the course which it is proposed to adopt, with effect from the 1st of April last, respecting the payment of the Indian portion of the non-effective charges for the British Army in consequence of the discontinuance of the system of capitalising the payments.

Mr. Robinson points out very forcibly the immense labour involved in the examination of the quarterly accounts with the view of ascertaining what portion of each pension is claimable from Indian revenues; and as the rejection by the Treasury of the system of capitalisation excludes the idea of interest, and consequently of present value, he suggests that, after the Indian share of each pension has been ascertained, as hitherto, India should be debited with her share in each year multiplied by the chance of the pensioner being alive throughout the year.

Such a plan, although undoubtedly accurate, appears to involve a great amount of labour in the calculation respecting each pension; and, although the charge will, as Mr. Robinson says, be "settled once for all at the time of retirement," the payment will be by no means settled, but will be continued in each group of pensions for every year up to the age of 100; that is to say, for perhaps 45 to 65 years.

The most simple method would appear to be that, it having been ascertained what is the expectation of life in each pensioner's case, India should pay her share of the pension for that number of years, and no more. But, unfortunately, this plan is impracticable, because the tables of expectation of life are all prepared to include the chance of life in every year up to the age of 100; and hence, under such a system, India would be paying in a short term of years the amount which is due from her only when spread gradually over a long period.

In these circumstances, the Earl of Kimberley is led to propose a reversion to the system of capitalisation, on terms which may be not unacceptable to the Treasury. In the 3rd paragraph of Mr. Robinson's note, the difficulty felt by that Department is said to be "mainly the fact that, while India claims discount at 4 per cent., the Treasury is only able to invest the money at 3 per cent." The plan, then, which Lord Kimberley would propose is that the Indian share of the pensions shall, as formerly, be capitalised, but at 3 instead of 4 per cent., and that the amount so ascertained to be due shall be converted into an annuity, based on the same rate of interest, for 10 years in each case.

The rate of interest would be subject to alteration by agreement between the Treasury and the Secretary of State in Council, if it should appear to either of them to be working unfairly to its interests.

If the Marquis of Hartington should agree, in Lord Kimberley's opinion, that this method is a more convenient one for adoption than that proposed in the War Office Memorandum, I am directed to request that it may be laid before the Lords Commissioners of Her Majesty's Treasury for their concurrence.

I have, &c.
(signed) *Horace Walpole.*

The Under Secretary of State for War,
War Office.

— No. 11. —

COPY of TREASURY MINUTE, dated 30 April 1885.

MY Lords read their letter of the 29th December 1881 to the War Office, in which it was laid down that only so much of the capitalised sums received from India in respect of the non-effective service of Her Majesty's Forces serving in that part of the Empire, as represents the actual charge borne on the Army Estimates of the year for that service ought to be paid into the Exchequer, and that the Revenue of the year should not, as had hitherto been the custom, be increased by sums received in excess of the amount actually expended in the year upon the Service.

They read the Report of the Actuaries of the War Office (No. 306), dated 31st January 1883, analysing the financial results of the arrangements under which the non-effective charge in question was capitalised, and showing the contingent liability which had in consequence been thrown upon the Consolidated Fund; the letter of the Board of Treasury to the War Office, dated 24th August 1884; the letter from the War Office, dated 31st January 1884; the further Report of the Actuaries, dated 28th February 1884 (No. 321); the letters from the Treasury to the India Office and War Office, dated the 4th March 1884; the reply of the India Office, dated 29th March; Memorandum by the Actuary of the War Office, Mr. Denham Robinson, dated 26th April 1884, on the method of giving effect to the Treasury decision putting a stop to capitalisation; and, lastly, the letter of the India Office to the War Office, dated 22nd August, on Mr. Denham Robinson's Memorandum.

My Lords desire to acknowledge the fair and conciliatory spirit in which Lord Kimberley has treated the question in proposing that capitalisation shall be continued, but on the basis that the capitalised sums are invested at 3 instead of 4 per cent. per annum. This offer undoubtedly removes one of the main objections of the Treasury to capitalisation, but it is accompanied by a condition which would make the working of the scheme even more complicated than heretofore, for his Lordship would convert the capitalised sum into an annuity having 10 years' currency. It leaves, moreover, untouched the delay which now occurs in ascertaining the capitalised sum payable by India, the Actuaries' Reports being now three years in arrear in spite of the efforts made to reduce the interval. My Lords may also observe that the sums re-credited to India on account of pensioners re-employed, &c., introduce a further and important element of uncertainty, the amount so re-credited having reached in the period between 1st April 1870 and 31st March 1882, the sum of 1,339,000 *l.*

After careful consideration of the whole question, my Lords come to the conclusion that it will be best to adhere to their original decision, and that the capitalisation arrangement should be held to have expired on the 31st of March 1884. The Secretary of State for War has already assented to that decision, and my Lords have reason to anticipate that the Secretary of State for India in Council will not object. He has acknowledged the accuracy of Mr. Denham Robinson's proposal for ascertaining in the least costly manner the charge which the Government of India will year by year be called upon to pay, and my Lords believe that that proposal may be carried out with fairness to all parties.

The 11th paragraph of the Report of the Actuaries of the 28th February 1884 gave the following calculation:—The fund which ought to have been in hand on 1st

1st April 1884, *and laid out at* 4 *per cent.*, in order that the future claims of pensioners, whose Indian pensions either has come into course of payment or were already owing by India, might be met year by year as they came on for payment:

	£.
1. The liability for pensions granted before 31st March 1870 was - - - - - - - - - -	904,440
2. The liability in respect of the capitalisation of certain pensions of the old East India Company's Army was	33,774
3. (*a.*) The Government of India owed, but had not paid for capitalisation of pensions granted between 1st April 1870 and 31st March 1884 - - - - - -	2,196,202*
(*b.*) The deficit on account of these last-named pensions was eventually to be made good from the Consolidated Fund - - - - - - - - -	3,865,746
£.	7,000,162

But as, has often been pointed out, the Treasury cannot invest at 4 per cent., and the Actuaries accordingly calculate, in paragraph 16 of the Report, that if 3 per cent. can only be realised by investment, the sum in hand on the 31st March 1884 should have been 7,713,571 *l.*

The first of these items of liability represents pensions in respect of which no claim has been made on the Government of India. The recommendation of the Committee of the War Office and India Office, which sat in 1870, led directly to this result, and this item must, therefore, remain a dead charge on Army Estimates. It is calculated in 1885–86 at 96,336 *l.* It will have diminished to 10,866 *l.* in 1907–8, and will finally expire in 1926-27. A sum of about 997,000 *l.* now in hand, and invested at 3 per cent., would cover the liability which it involves. As, however, there has been no claim on India in respect of this charge, it has become simply an item of ordinary Army expenditure, and no further measures are required for its adjustment.

The remaining liability on the account, as above stated, amounted on the 1st April 1884 to 6,095,722 *l.* at 4 per cent., or about 6,717,000 *l.* at 3 per cent., and the uncovered liability at 3 per cent. may, in round figures, be computed at 4,521,000 *l.* But the India Office have not accepted in full the calculation of the War Office Actuaries, and the principle of a compromise has been established, which will make an addition, not yet completely ascertained, to the uncovered liability of a sum varying from 100,000 *l.* to 115,000 *l.* The gross liability of the Consolidated Fund may therefore be calculated on 31st March 1884, at an outside sum of 4,650,000 *l.*

But since the year 1881–82 my Lords have acted on the sounder principle of finance, for which they are anxious to obtain the sanction of Parliament. The actual charge of Indian pensions paid out of Army Votes (paragraph 9 of Actuaries' Report of 28th April 1884), in the years 1881–82, 1882–83, and 1883-84, and representing pensions granted between 1st April 1870 and 31st March 1884, is calculated at 1,794,000 *l.*, while the sum actually paid into the Exchequer was 1,800,000 *l.* The sums received from India during these years on account of the current capitalisation of the years in question was 2,200,000 *l.* Therefore a sum of 400,000 *l.* is in hand as an asset to be put against the above stated liability, reducing it to a net liability, on 31st March 1884, of more than 4,200,000 *l.*, and less than 4,250,000 *l.*

It may be taken for granted therefore that an eventual liability on the Consolidated Fund existed on 31st March 1884, for about the amount just stated, and my Lords have now to submit to Parliament proposals for meeting this

* The Report of the Actuaries was dated the 28th February 1884. Further sums were received from India before 31st March, which are not included in their calculations.

this liability. In the year 1884-85 India paid to the Imperial Government a sum of 800,000 *l.*, of which 600,000 *l.* was transferred to the Secretary of State for War, a sum somewhat less than the actual charge of Indian pensions belonging to the period since 31st March 1870 and paid out of Army Votes during the year, a charge which is estimated at about 625,000 *l.*; the balance of 200,000 *l.*, being the difference between 800,000 *l.* received from India and 600,000 *l.* paid to the War Office, was added to the Reserve Fund, mentioned in the preceding paragraph.

My Lords must in the first instance ask that the Actuaries of the War Office may be instructed to re-calculate the figures given in paragraphs 11, 16, 17, and 18 of their Report of 28th February 1884, so as to arrive at the net liability of the Consolidated Fund on 1st April 1885, assuming that capitalisation ceased on 31st March 1884.

The figures previously given will, however, have expressed with sufficient accuracy the position on 31st March 1884, and there is no need to postpone a decision as to the principle of the measure to be submitted to Parliament, because the actual figures for the 31st March 1885 cannot be ascertained for a short time.

In the first place, my Lords come to the conclusion that it would not be correct to leave the very heavy charge of Indian pensions, granted between 1870 and 1884, as a dead weight on Army Estimates. Faulty arrangements have produced a heavy deficit on the Capitalisation Account, and it is better to acknowledge the liability at once, and to spread the liquidation of it over a period of time. For this purpose my Lords will ask Parliament to sanction the creation of a fund in the hands of the National Debt Commissioners, to which will be paid (1) The arrears of Capitalisation up to 31st March 1884, which have been set aside since 1881-82; (2) The sums received by my Lords out of current Capitalisation, as above described; (3) Further arrears of Capitalisation, which India will have to pay; (4) An annuity, to be charged on the Consolidated Fund, of 150,000 *l.*, for the term of years found necessary to liquidate the deficiency, as finally established.

The National Debt Commissioners will, in their turn, pay over to the Secretary of State for War, year by year, the amount which the Actuaries of the War Office may determine to be the actual charge on the Army Estimates of the year for Indian pensions, granted between 1st April 1870 and 31st March 1884, including the old East Indian Company's pensions, mentioned in paragraph 8 of the Actuaries' Report of 28th February 1884, as capitalised from 1st April 1874. The National Debt Commissioners will present yearly to the Treasury a Report of the transactions of the fund; and at intervals, say of five years, a re-valuation of the annuity will take place, so as to secure the attainment of the object which my Lords have in view.

My Lords proceed to communicate their proposals to the Secretary of State for India in Council, to the Secretary of State for War, and to the National Debt Commissioners; and they will also give directions for the preparation of a Bill to be presented to Parliament without delay.

— No. 12. —

The Secretary of the Treasury to the Under Secretary of State for India.

Treasury Chambers,
30 April 1885.

Sir,

I AM directed by the Lords Commissioners of the Treasury to acquaint you, for the information of the Secretary of State for India in Council, that they have had under consideration the letter addressed to the Under Secretary of State for War by Mr. Walpole, on the 22nd August last, on the method of providing for the non-effective charge of Her Majesty's Forces serving in India.

It will be in the recollection of the Secretary of State that my Lords, on the 4th of March 1884, proposed to put an end, as from the 1st of April 1884, to the arrangement whereby the Indian Share of Pensions, granted or first becoming payable in each year, is capitalised, on the assumption that the capitalised sum is invested at 4 per cent. The main reasons which led my Lords to this conclusion were, (1) That they are not able to invest the capitalised sum at 4 per cent.; and (2) That they suffer loss by the delay which occurs in calculating

lating the amount of capitalisation. In order to assist the conclusion of a new arrangement, my Lords proposed to fix the amount of the arrear debt then due by India at the mean between the amount computed by the Actuaries of the War Office, and the amount admitted by Lord Kimberley, the difference between the two amounts being about 192,000 *l.*

On the 27th March, the Secretary of State for India in Council replied. He raised no objection to terminating the capitalisation arrangement, and he accepted, in principle, the compromise of the existing debt which my Lords had offered, but he calculated the difference to be compromised at about 177,000 *l.* nstead of 192,000 *l.*

The Actuary of the War Office then drew up for Lord Hartington a memorandum giving the outline of a working arrangement by which the Government of India might in future pay, year by year, their charge for these pensions coming first into course of payment after the 31st of March 1884. A copy of the memorandum was communicated by Lord Hartington to this Board, and to the Secretary of State for India in Council, and my Lords have before them, in Mr. Walpole's letter of the 22nd August above-mentioned, Lord Kimberley's remarks upon the arrangement which, it is suggested, should replace the old capitalisation arrangement.

Lord Kimberley thinks that the plan of Mr. Denham Robinson, the War Office Actuary, although undoubtedly accurate, would involve a great amount of labour, and his Lordship finds practically no alternative plan to suggest. He therefore proposes to revert to capitalisation, but that the capitalisation should be based upon the assumption that the capitalised sum is invested at 3 instead of 4 per cent.; that the amount so ascertained should be converted into an annuity for ten years, based on the same rate of interest; and that the rate of interest should be subject to alteration by agreement between the Treasury and the Secretary of State in Council, if it should appear to either of them to be working unfairly.

My Lords are anxious to acknowledge the fair and conciliatory spirit in which Lord Kimberley has treated the question. His offer undoubtedly removes a great objection which my Lords entertain to capitalisation. They themselves prefer repayment in each year by the Indian Government of the Indian Share of the Pensions which is calculated by the Actuaries to be actually payable in that year, inasmuch as an arrangement of that nature avoids the creation of an accumulating fund in respect of pensions becoming payable after 1st April 1884, and avoids in consequence questions of interest and investment which complicate the adjustment of a difficult transaction; but in spite of their preference for the simpler arrangement, they would defer to the wishes of the Secretary of State, and revert to capitalisation, if the capitalisation proposal, though modified in some particulars, were of the same general character as that which has been superseded. That, however, is not the case, for Lord Kimberley suggests that the sum representing the capitalised value of the pensions granted or coming first into course of payment in each year should not be paid over to the Imperial Government, as contemplated by the arrangement hitherto in force, but should be converted into an annuity for 10 years. The scheme must obtain the approval of Parliament, and it will be sufficiently difficult to make it intelligible even in its simplest form. It is desirable, in consequence, to avoid any further complication of details. It should be added that the objection to capitalisation arising out of the delay in obtaining the Actuaries' Reports has not been overcome at present. No Report has been furnished to this Board for a later date than the 30th June 1882; so that the actuarial calculations, in spite of the efforts made to lessen the interval between the date at which the capitalised sum falls due and the date at which the sum so due is ascertained, remain still three years in arrear. Lastly, my Lords find no inconsiderable objection to capitalisation in the uncertainty of the amounts to be re-credited to India in respect of pensioners re-employed, etc., and the largeness of the amounts in some years so re-credited. In 1881–82 the sum re-credited was 425,179 *l.* The total sum re-credited between 1870-71 and 1881–82 amounted to 1,339,399 *l.* Delay of three years in ascertaining the amount to be paid by India, and uncertainty in hundreds of thousands of pounds as to the amount to be repaid to India within the year, are fatal objections to any scheme of capitalisation, and this leads my Lords to the conclusion that the principle of capitalisation should be abandoned.

My Lords do not understand from Mr. Walpole's letter of 22nd August last that the Secretary of State for India in Council has decided finally against the plan of procedure described in the memorandum of the Actuary to the War Office of 26th April 1884, which he admitted to be accurate in principle; and they would be glad to learn that his Lordship, on consideration of the argument against capitalisation set forth in the preceding paragraph, will consent to the adoption of Mr. Denham Robinson's plan, subject to revision at intervals to be fixed by agreement between his Lordship and this Board.

Mr. Robinson proposes (1) that the proper Indian share of the annual payment to each pensioner, on the basis of past service, should be ascertained in the same manner as has hitherto been the practice for the purpose of capitalisation; (2) that India should be debited for the financial year, in the course of which the retirement occurs, with one-half of her annual share, reduced by the chance of the pensioner not living one year; (3) that for subsequent years India should pay her original share, adjusted by the chance of the pensioner being alive in the year, as ascertained from rates of mortality which the actuaries of the India Office and War Office accept as fair; (4) that in the case of temporary non-effective pay, such as half-pay, there should be a counter charge in favour of India from the year in which the individual reverts to full-pay; (5) that the life-table should be as follows:—

For Officers.—Officers' experience, 1800–70. For wounds pensions, the same table depreciated 10 years.

For Warrant Officers and Men.—Pensioners' experience, with and without Indian service, 1822-70.

For Widows and Children.—Finlaison's Government annuity table.

If the Secretary of State assents to this arrangement, the actuaries should be instructed to report, shortly before the completion of the Army Estimates, the sum which they anticipate will be payable by India, under the new arrangement, in the year to which the Estimates relate; they should report further and as soon as practicable after the close of the quarter or of the year, the actual amount ascertained for the quarter or year to be payable by India. The difference between estimate and actual result should be adjusted when the annual payment by India is fixed for the next ensuing Estimates.

The main question being thus determined, the adjustment of outstanding arrears ought not to present much difficulty.

My Lords proposed, in their letter of the 4th of March 1884, that capitalisation should cease as from 1st April 1884, inclusive, and they understand that Lord Kimberley would prefer that the new arrangement should be held to have come into force at the date originally named, although another year will have elapsed before the details can be completed and the assent of Parliament obtained. In any case some inconvenience must be caused by the delay, but the course preferred by Lord Kimberley is not specially open to objection upon that ground, and my Lords will therefore consider capitalisation as having ceased on the 31st of March 1884.

They have before them a Paper prepared by the Financial Secretary of the India Office, showing that an arrear of capitalisation, amounting to about 100,000 *l.*, was owing by the Government of India on the 31st March last, and my Lords understand that that sum, subject to confirmation on examination here and at the War Office, will be paid over to the Imperial Government in the course of the year 1885-86.

One item forming part of the charge raised by the Actuaries of the War Office against the Government of India, but disallowed by the Government of India, has been fully discussed, and may now be disposed of. Pensions granted before the 1st April 1870 to men who had served in regiments transferred from the former Army of the East India Company to the Army of the Queen were capitalised by agreement. These pensions had previously been paid partly by the Imperial Government and partly by the Government of India, according to a rough estimate framed by the Commissioners of Chelsea Hospital of the respective liabilities of the two Governments. The Actuaries of the War Office point out that the basis of the Estimate was more favourable to India than to the

the Imperial Government. It was, however, adopted as the basis of capitalisation, and on that basis the sum of 244,224 *l.* 1 *s.* 10 *d.* was ascertained by the Actuaries of the two Governments to be due as from 1st April 1874. But the Actuaries' Report was not completed until October 1876, and the Indian Government, as matter of fact, only paid 100,000 *l.* on 1st January 1877, 100,000 *l.* on 1st April 1878, and 44,224 *l.* 1 *s.* 10 *d.* on 1st January 1880. It is evident that the sum of 244,224 *l.* was adjudged to be the capital value of the pensions on 1st April 1874; that the money was due to the Imperial Government on that day, and that the Imperial Government would lose by every day's delay if interest was not paid. When, however, interest was claimed, the Government of India, pleaded that the Actuaries' Report was not presented until October 1876, and after correspondence the Treasury agreed, in 1878, not to press the claim for interest. The words of the Treasury concession are wide enough to justify the Government of India in refusing any claim in excess of the exact sum of 244,224 *l.* 1 *s.* 10 *d.* declared to be due on 1st April 1874. Under it, however, the Indian Government saved, and the Imperial Government lost, between 1st April 1874 and October 1876, the date of the Actuaries' Report, 25,167 *l.*, and a further loss of 15,443 *l.* between the date of the Actuaries' Report and the actual payment of the capitalised sum by India. In short, the Imperial Government lost, and the Indian Government saved, on this one transaction, a sum of 40,610 *l.* My Lords cannot but think that in equity the Government of India should accept liability for interest between the date of the presentation of the ascertained claim in October 1876, and the date on which they actually made payment. My Lords, however, in face of what has been said already, do not propose to press the point, should the Secretary of State for India in Council demur to their suggestion.

I am, Sir,
Your obedient Servant,

The Under Secretary of State for India. *John T. Hibbert.*

— No. 13. —

The Secretary of the Treasury to the National Debt Commissioners.

Treasury Chambers,
30 April 1885.

My Lords and Gentlemen,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to forward for your information copies of two Reports of the Actuaries of the War Office, dated respectively 31st January 1883 and 28th February 1884, and also of a Treasury Minute, dated 24th August 1883, showing that the Consolidated Fund has incurred a heavy liability under an arrangement for capitalising the Indian share of pensions payable out of Army Votes.

I am to say that my Lords have agreed with the Secretary of State for War that the practice of capitalising such pensions is to cease as from the 1st April 1884 inclusive, and they have reason to anticipate the acquiescence of the Secretary of State for India in Council in that arrangement. From 1st April 1884, therefore, the Government of India will pay over year by year to the Imperial Government, not the capitalised value of the Indian share of army pensions first becoming payable on and after the said 1st day of April, but the amount estimated by the Actuaries of the War Office to be payable out of Army Votes in respect of the pensions themselves. No further notice, therefore, need be taken of pensions granted or coming first into course of payment on and after 1st April 1884.

You will learn from paragraphs 13 and 15 of the Actuaries' Report of 28th February 1884 (No. 321), that there is an extremely heavy charge on War Office Votes for the Indian share of pensions coming first into course of payment previous to the 1st April 1884. These pensions may be divided into two classes; viz., (1), those which came first into course of payment before 1st April 1870; and (2), those which came first into course of payment between 1st April 1870 and the 31st March 1884 inclusive. Any contribution on account of the first class has been practically remitted to the Government of India; and the charge of these pensions will therefore remain a dead weight on Army Votes until they expire, a date which, according to the Actuaries'

estimate, will not arrive until 1926–27. The charge of the second class is shown in column *d* of paragraph 13, and in column 3 of paragraph 15 of the Actuaries' Report of 28th February 1884. This is the class of pensions to which I am to ask your attention, as my Lords are anxious to obtain your co-operation in providing for them in the future.

There is another small class of pensions, the charge of which is given in column *c* of paragraph 13 of the said Report, to which reference will be made hereafter, but which need not be taken into consideration at present.

Reverting to pensions of the period between 1870 and 1884, I am to say that paragraph 11 of the Report shows that in the estimate of the Actuaries a charge on the Consolidated Fund could only be avoided if a sum of 3,865,746*l.* had been in hand on the 1st of April 1884. This calculation, however, assumes that for the required purpose a fund of that amount must be invested to earn interest at the rate of 4 per cent.; and as the Imperial Government cannot invest at that rate, it will be found that the sum required on 31st March 1884 is 4,500,000*l.*, or, under a compromise effected with the India Office, about 4,650,000 *l.*

Of this sum only about 400,000 *l.* was actually in hand. The deficit is due to various causes: first, because in the years between 1st April 1870 and 31st March 1881, the capitalised sums received from India were paid into the Exchequer in accordance with ordinary practice. These capitalised sums much exceeded the actual charge on Army Votes of the pensions which the capitalised sums represented, and thus the Budgets of those years benefited to the prejudice of Budgets of future years. Secondly, the capitalisation was based upon the assumption that money could be invested at 4 per cent., and that not being the case, the capitalised sum was not the equivalent, as it professed to be, of the pensions capitalised. My Lords may mention that in the year 1881 a change of practice took place, and that from that time sums have been paid into the Exchequer considerably less than the charge of Indian Pensions actually paid within the year out of Army Votes; the balance of the sums received from India has been carried to a reserve fund in the hands of the Paymaster General, pending the obtaining from Parliament of power to provide for the deficiency which the Actuaries of the War Office have shown to exist. This reserve amounted on 31st March 1884, as above stated, to about 400,000*l.*, and it constitutes an asset to be put against the liability named above. Other sums have been received from India, and carried to the reserve fund. These sums represent arrears of former years, and must be set against the item B. in paragraph 11 of the Actuaries' Report of 28th February 1884, "Debt due by India." Provision must now be made to meet the net deficiency which is shown to exist, and my Lords desire to consult you as to the best method of meeting it. They proceed, therefore, to explain the proposal which the Chancellor of the Exchequer will make in the forthcoming Budget speech.

It will be seen that the total charge of Indian Pensions payable in 1885–86, out of Army Votes for the period between the 1st April 1870 and the 31st March 1884, is estimated by the War Office Actuaries at 587,503 *l.*; that is to say, at the amount stated in the last column of the account given in paragraph 15, after deducting the amounts stated in the columns *a*, *b*, and *c*, of paragraph 13 of the Actuaries' Report of 28th February 1884. The charge is 602,093 *l.* if the amount given in column *c* is included. My Lords do not think that it would be reasonable to throw the whole of this charge on the War Office Estimates of the current year. On the other hand, they do not think that it would be reasonable simply to use up the funds reserved out of the Indian capitalised payments in discharge of the above liability, without making any effort to provide for the deficiency which has been ascertained to exist, and which must one day be defrayed out of the Consolidated Fund. They propose accordingly to create a fund, and, if you do not object, to confide the management of it to your hands. The fund will consist: 1. Of the sums received from India and now on a reserve account in the hands of the Paymaster General. 2. Of any arrears which are due from India under the head of Capitalisation up to the 31st March 1884. 3. Of an annuity charged on the Consolidated Fund of 150,000 *l.*, for which the Chancellor of the Exchequer will make provision in his estimate of charge on the Consolidated Fund for the current year. Out of this fund, or out of moneys to be advanced on the security of the said annuity of 150,000 *l.* payable from the Consolidated Fund, you will provide the amount calculated in each year by the War Office Actuaries to represent the charge

charge of the Indian Share of War Office Pensions granted between 1st April 1870 and 31st March 1884, and actually payable out of War Office Votes in each year.

My Lords have just made mention of an annuity of 150,000 *l.* This annuity is to be charged as dead-weight on the Consolidated Fund, and by means of it they propose eventually to liquidate the deficiency created by former practice or by the insufficiency of the terms of capitalisation. They proceed to explain the basis on which they frame their estimate. You will see from paragraph 11 of the Actuaries' Report under reference, that if the sum of 3,865.746 *l.* had been in hand on the 31st March 1884, and invested at 4 per cent., the fund would be solvent. But it is impossible for this Board or for the National Debt Commissioners to invest money entrusted to them at 4 per cent., and a larger sum must therefore be taken in order to ensure solvency. In paragraph 16 of the Actuaries' Report, it is stated that, assuming a total sum of 7,000,162 *l.* to be required to secure solvency, if the rate of investment be 4 per cent., a sum of 7,713,571 *l.* would be required to secure solvency, if the rate of investment be 3 per cent. My Lords calculate the ultimate deficiency on the basis of 3 per cent. at about 4,500,000 *l.*, reduced by so much of the reserve in hand as does not represent arrears of capitalisation paid by the Government of India, and therefore set against item B., in paragraph 11 of the Actuaries' Report. An annuity of 150,000 *l.* based upon a rate of interest of 3 per cent. would probably discharge that liability in about 60 years.

My Lords propose further that you should make an annual Report to them of receipts and payments in respect of the Indian Army Pension Fund, and that every five years you should review the position of the fund with a view, if necessary, to re-adjustment of the annuity.

My Lords have only further to notice two sums which will increase the deficiency. The first is the Capitalisation Fund of the special pensions mentioned in column *c.* of paragraph 13 of the Actuaries' Report. You will observe from paragraph 8, that the capitalised sum in respect of these pensions, which should have been paid on the 1st April 1874, was not paid until after October 1876, and that a claim for interest up to October 1876 had in consequence accrued, amounting to 25,167 *l.*, which my Lords agreed not to press; but the capitalised sum was not actually paid by the Indian Government until very long after October 1876, and a further claim for interest in consequence accrued of 15,443 *l.*, which the Indian Government claim to have been also forgiven. These sums may increase the deficiency (*see* item D. in paragraph 11) by 50,000 *l.* Further, the full sum of interest claimed in the Actuaries' Report has not been accepted by India, and a compromise has been effected, resulting in a loss to the Imperial Government of 88,529 *l.* or 96,250 *l.*, the difference depending on the admittance or rejection of the claim for 15,443 *l.* just mentioned. The increase of the ultimate deficiency through these causes is considered in a preceding paragraph, where it is stated that the ultimate gross deficiency may be 4,650,000 *l.*

I am to say that my Lords would be glad to learn at your early convenience, whether you are prepared to accept charge of the fund now proposed to be created with its contingent provisions, and further they trust that you will favour them with your remarks upon the scheme thus laid before you.

I am, &c.
(signed) *John T. Hibbert.*

— No. 14. —

The Secretary to the Treasury to the Financial Secretary, War Office.

Treasury Chambers,
Sir, 30 April 1885.

I AM directed by the Lords Commissioners of the Treasury to acquaint you, for the information of the Marquis of Hartington, that they have had under consideration Mr. De la Bère's letters of the 8th July and 2nd September last, forwarding a copy of Mr. Denham Robinson's memorandum on the best method of giving effect to the decision of the Treasury that the capitalisation of the charges

against India for non-effective pay shall be abolished, and also a copy of the opinion of the Secretary of State for India in Council upon Mr. Robinson's plan.

Lord Kimberley admits the accuracy of the plan, but objects to the labour which it would involve, and having practically no alternative plan to recommend, he proposes to revert to capitalisation. The calculation, however, is to be based upon the assumption that the capitalised sum will be invested at 3 instead of 4 per cent., and the amount so ascertained is to be converted into a ten years' annuity at the same rate of interest.

Lord Kimberley's proposal undoubtedly removes one of the great objections which my Lords entertain to the old capitalisation arrangement, viz., that it assumed a rate of interest which my Lords cannot realise. On the other hand, it introduces a fresh subject of complication, by spreading the new capitalisation over a period of ten years; and it does not remove the objection arising out of delay in ascertaining the capitalisation charge. In spite of the efforts which have been made to reduce the delay inseparable from any scheme of capitalisation, the Actuaries' Reports are practically three years in arrear, the last rendered to this Board being for the year ended 30th June 1882. My Lords may notice further, as an objection to capitalisation, the considerable sums repayable to India on account of pensioners re-employed. These repayments amounted, from an account now before my Lords, to no less a sum than 1,339,399 *l.* for the period between 1st April 1870 and 31st March 1882.

In fine, my Lords, after a careful review of the arguments for and against capitalisation, come to the conclusion that the financial objections are greater than the advantages. They think it best, therefore, to adhere to the decision announced in their letter of the 4th March 1884, and to determine the capitalisation arrangements as from the 1st April 1884 inclusive. Lord Hartington has already given his assent to this proposal by letter of 31st January 1884, and my Lords have reason to anticipate that objection will not be raised on the part of the Secretary of State for India in Council.

Assuming a new arrangement to be made upon this basis, my Lords proceed to consider the method by which it is to be carried into effect. They propose, in the first place, that the yearly charge against India in each year subsequent to 1883-84 should be raised in the manner suggested by Mr. Denham Robinson's Memorandum of 26th April 1884, enclosed in Mr. De la Bère's letter of the 8th July of that year. Lord Kimberley, as has been stated, admits the accuracy of the method, and my Lords do not anticipate that practical objection will be raised by the Government of India to the adoption of it. I am accordingly to ask that the actuaries of the War Office may be instructed to calculate, in concert with the actuary of the India Office, the sum payable by the Government of India, under Mr. Robinson's plan, in the year 1884-85, and they would be glad to receive also from the Secretary of State an estimate of the sum so payable in 1885-86. This charge in future years, for the receipt of which provision will be duly made in the Army Estimates of those years, will be paid to the War Office year by year, at dates to be determined by the two Secretaries of State. The provision made in the Estimates for the Indian share of pensions to be granted in a year not yet begun, can, of course, only be an estimate, and errors in that estimate must be adjusted in the Estimates next following the completion of the pension account for the year in question.

The charge of Indian Pensions, dating previous to 1st April 1870, must remain on the War Office Estimates uncovered, inasmuch as the arrangements made by the War Office Committee of 1870 contemplated that no claim would be made on India in respect of those pensions.

My Lords propose that the National Debt Commissioners, under regulations which are more fully explained in the enclosed copy of a letter to those Commissioners, shall, year by year, pay over to the Secretary of State for War the amount which the actuaries of the War Office calculate to represent the charge on the Army Estimates of the year of Indian Pensions belonging to the period between 1st April 1870 and 31st March 1884. My Lords need not dwell further upon this point as the Secretary of State will only ask to be satisfied that he will duly receive the amounts of such charge.

I am also to forward a copy of a letter from the India Office dated 27th March 1884, and of a letter from this Board to the India Office of even date with that which I am now addressing to you. The Secretary of State will see from this correspondence

correspondence that my Lords have agreed with the Secretary of State for India in Council to a compromise, whereby the Indian Government will pay the mean between the claim for interest to 31st March 1883, as put forward by the actuaries of the War Office, and the amount of interest on the same debt as admitted by the Secretary of State in Council. This compromise involves a further loss to the Imperial Government of 96,250 *l.*; Lord Kimberley, however, makes a further deduction. He considers that the amount of the claim should be diminished by the interest charged by the War Office actuaries on capitalisation of the Old East India Company's Army Pensions for the period between October 1876 and the actual date of payment by the India Office. The sum thus in dispute amounts, my Lords understand, to 15,443 *l.*, and the abandonment of the claim would reduce the loss above stated from 96,250 *l.* to 88,528 *l.* On the other hand, the uncovered liability on account of the East India Companies' pensions would be increased by 16,000 *l.* or 17,000 *l.* My Lords think that, in equity, the Government of India should pay interest on those capitalised pensions for the period between October 1876 and the date of actual payment, for the reasons which are stated in the letter of which copy is enclosed. They have, however, to admit that the letter in which they abandoned the claim might be held in strict interpretation to cover the whole period to date of payment.

I am to ask that the actuaries of the War Office may be instructed to recalculate paragraph 11 of their Report of the 28th February 1884, upon the basis given in this letter, and on the assumption that money can be invested at 3 per cent. only. They will understand that subsequent to the date of the above-named Report and up to the 31st March 1885, further payments have been made by India to the Imperial Government, amounting to 1,800,000 *l.*

The Secretary of State for War is aware that if these proposals are accepted, the charge for pensions granted before 1870-71, and shown in columns *a* and *b* of paragraph 13 of the Report of the War Office Actuaries will remain a dead weight on Army Votes, no set-off being paid over to Army Votes against it. The arrangement will provide, on the other hand, for the payment yearly to the Secretary of State for War of the sum which the actuaries calculate as representing the charge in the year on Army Votes of Indian pensions first come into course of payment between 1st April 1870 and 31st March 1884, and of the Old East India Company pensions to which paragraph 8 of the Report refers.

My Lords desire to obtain the assent of the Secretary of State to the principle of these proposals as early as convenient, as the general outline of the scheme should be explained in the Budget, and the necessary powers should be obtained from Parliament as soon as may be practicable.

In conclusion, I am to summarise for convenience the information required from the Office of the Secretary of State.

1. A re-calculation of paragraph 11 of the Actuaries' Report, number 321.

2. An estimate of the sums receivable as the Indian share of pensions, granted after 31st March 1884, and payable respectively in the years 1884-85 and 1885-86.

3. Information as to the date at which the actuaries would be able to ascertain the pension charge of each year, on the principle laid down in Mr. Denham Robinson's Memorandum of 26th April 1884.

4. Information as to the time at which it would be possible to complete the capitalisation charge against India up to 31st March 1884.

I am, Sir,
Your obedient Servant,
John T. Hibbert.

— No. 15. —

The Secretary of the Treasury to the Parliamentary Counsel.

Treasury Chambers,
30 April 1885.

Sir,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you herewith copy of their Minute of this day's date, respecting the Home Non-Effective Charges of Troops serving in India, and of the letters appended thereto; and I am to request you to prepare a Bill on the lines indicated in the Minute, creating an Indian Pension Fund in the hands of the National Debt Commissioners, transferring to the Commissioners all funds now in the hands of the Paymaster on the Indian Army non-effective arrear account, all moneys hereafter receivable from the Government of India on the capitalisation account up to 31st March 1884, and charging an annuity not exceeding 150,000 *l.* on the Consolidated Fund, payable to the National Debt Commissioners for such period as the Treasury may find necessary, in order to liquidate the liability of the Consolidated Fund. The National Debt Commissioners should be empowered to invest all or any part of the sum so received in Parliamentary securities.

The Bill should further authorise the National Debt Commissioners to pay at prescribed dates to the Secretary of State for War, out of the above-mentioned fund, the sum which may be calculated by the actuaries of the War Office as representing the charge payable from Army Votes in the year of Indian Army Pensions granted between 1st April 1870 and 31st March 1884, and of the Army Pensions granted to men who had served in regiments of the Old East India Company transferred to the Queen's Army before 1870.

For this purpose the National Debt Commissioners should have power to lend moneys in their hands to the fund, taking in return out of the annuity of 150,000 *l.* charged on the Consolidated Fund, an annuity for a term of years based on a rate of interest of 3 per cent.

I am, &c.
(signed) *John T. Hibbert.*

EAST INDIA
(NON-EFFECTIVE CHARGES OF HER MAJESTY'S FORCES).

COPY of CORRESPONDENCE between the TREASURY, the WAR OFFICE, and the INDIA OFFICE, on the Subject of the HOME NON-EFFECTIVE CHARGES of HER MAJESTY'S FORCES in INDIA.

(*Mr. Hibbert.*)

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E.—9. 7. 85.

EAST INDIA (CONTAGIOUS DISEASES).

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RETURN to an Address of the Honourable The House of Commons, dated 4 June 1888;—*for*,

"COPY of a CIRCULAR MEMORANDUM by the QUARTERMASTER GENERAL in INDIA, dated 17th June 1886."

India Office,
4 June 1888.

J. A. GODLEY,
Under Secretary of State for India.

(*Sir John Gorst.*)

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197.

COPY of a CIRCULAR MEMORANDUM by the QUARTERMASTER GENERAL in INDIA, dated 17th June 1886.

(No. 21.)

CIRCULAR MEMORANDUM.—Addressed to General Officers Commanding Divisions and Districts.

Cantonment Lock Hospitals.

Office of Quartermaster General in India,
Army Head Quarters, Simla,
17 June 1886.

IN former years His Excellency the Commander in Chief has frequently impressed on General and Commanding Officers the necessity for adopting stringent measures to reduce the chances of venereal disease spreading more widely amongst the soldiers of the Army.

Vide Précis of Circulars attached.

2. At the present time His Excellency desires me to give prominence to the following points which appear to be specially deserving of consideration by the Military and Medical authorities in every command.

The treatment of venereal disease generally is a matter calling for special devotion on the part of the medical profession.

To mitigate the evil now experienced, it is not only necessary to deal with the cases of troops in hospitals, but to arrange for a wider-spread effort which may reach the large centres of population, and, in this view, His Excellency has suggested to the Government of India the desirability of establishing a Medical School from which native practitioners trained in the treatment of venereal disease may be sent to the various towns throughout the country.

It can no longer be regarded as derogatory to the medical profession to promote the careful treatment of men and women who are suffering from a disease so injurious, and in mentioning the step which his Excellency has taken, he desires me to indicate the extreme importance in the first instance of medical officers being prepared to study and practice this particular branch of their professional work, under the assurance that their doing so must certainly result in the recognition of their efforts.

Whether or not the Lock Hospital system be extended, it is possible to encourage in every Cantonment, and in Sudder and Regimental Bazars, the treatment of those amongst the population who are suffering from venereal disease. The bulk of the women who practise the trade of prostitution are willing to subject themselves to examination by Dhais or by Medical Officers, if by their so doing they can be allowed to reside in regimental bazars.

Where Lock Hospitals are not kept up, it becomes necessary, under a regimental system, to arrange for the effective inspection of prostitutes attached to regimental bazars, whether in cantonments or on the line of march.

The isolation of women found diseased, and their maintenance while under treatment, becomes also a question to be dealt with regimentally.

In the regimental bazars it is necessary to have a sufficient number of women, to take care that they are sufficiently attractive, to provide them with proper houses, and above all to insist upon means of ablution being always available.

If young soldiers are carefully advised in regard to the advantage of ablution and recognise that convenient arrangements exist in the regimental bazar, they may be expected to avoid the risks involved in association with women who are not recognised by the regimental authorities.

The employment of Dhais, and insistance upon the performance of the acknowledged duties, is of great importance.

The removal of women who are pronounced to be incurably diseased from cantonment limits, should be dealt with as a police question in communication with the civil authorities.

In regard to the soldiers themselves, there are means at the disposal of Commanding Officers to enforce a more careful avoidance of contact with women who are diseased, where venereal is largely prevalent, the increase of the regimental police in controlling the movements of the men is imperative.

Frequent medical inspections should be ordered, and every endeavour should be made to make the men realize their own responsibility in assisting their officers, by indicating the women from whom disease has been acquired.

Much may be done to encourage a feeling amongst the men that it should be a point of honour to save each other where possible from risk in this matter.

The medical inspection of all detachments before leaving or entering a cantonment should be enforced by General Officers.

In conclusion, His Excellency desires me to impress upon all concerned the necessity for meeting the present difficulty by increased individual effort.

However much legislation may be desired to check the spread of disease, it is necessary to abandon a sense of false modesty in dealing with the matter in question, and to recognise that, as in the case of all other diseases, its open treatment, and the widespread knowledge of its disastrous effects, are the surest means of effacing it in each locality.

(By order)

E. F. Chapman, Major General,

Quartermaster General in India.

Précis of Circulars issued in the Quartermaster General's Department regarding the adoption of stringent Measures to reduce the chances of Venereal Disease spreading more widely amongst the Soldiers of the Army.

Number and Date of Circular.	PURPORT.
No. 43, dated 20th July 1870.	I. Officers commanding troops on the line of march to ensure the effective inspection of prostitutes attached to their regimental bazars. II. When any woman is found to be diseased, measures are to be adopted for her isolation on the march, and her transfer to the first or nearest Lock Hospital for treatment.
No. 87, dated 20th November 1871.	Forwards a copy of a report by the Sanitary Commissioner with the Government of India, reviewing the working of the rules for the prevention of venereal disease amongst British troops for the year 1870, and calls special attention to the necessity of officers commanding stations affording more efficient and energetic means for preventing the admission of casuals to the vicinity of the barracks. Any increase of disease should at once be met by increased energy on the part of Station and Regimental authorities, and especially of Regimental Police.
No. 51, dated 23rd August 1872.	Forwards copy of a communication from the Government of India to that of Bombay, regarding the disposal of incurable women attending Lock Hospitals, in which the former approves of a proposal to employ an incurable woman on small wages in the duties of the hospital at Mhow.
No. 80, dated 30th September 1873.	Directs that the practice of levying registration fees from prostitutes be discontinued.
No. 90, dated 8th July 1875.	Calls attention to Circular No. 87 of 1871, and strongly impresses upon Officers Commanding Divisions, Districts, and Stations, the necessity for strengthening the regimental police of corps when venereal is on the increase at a station, it being the general impression that the disease is not, as a rule, contracted from the registered women, but from unlicensed prostitutes who wander about the lines as hawkers, or are employed as coolies by the Public Works Department. 2. Requests that it may be pointed out to regimental Commanders, and the Lock Hospital Sub-Committees, whose special duty it is to supervise the working of the Lock Hospital rules, how important it is that they should more actively exert themselves to check the prevalence of this disease.
No. 35, dated 8th May 1876.	The Commander in Chief in India having had under review the annual reports on the working of the Lock Hospitals at certain stations, His Excellency regrets to find that the results are not satisfactory when compared with those of previous years. 2. The Lock Hospital rules, as they stand, appear to meet all requirements, but it is considered that much greater vigilance and interest on the part of the local authorities is required for their efficient working. 3. The authorities most concerned in working out these rules are Commanding Officers of Regiments and Batteries, their Medical Officers, and the Sub-Committees, and their attention is called to the following points:— I. The number of women on the register is not in proportion to the number of men who visit them.

Number and Date of Circular.	PURPORT.
No. 35, dated 8th May 1876-*contd.*	II. The improvement of the conditions under which the women ply their trade, such as greater privacy, facilities for ablution, &c. &c. III. The kind treatment of the women and every reasonable inducement being held out to them to attend the Lock Hospital when suffering from disease. 4. Commanding Officers of regiments and batteries are to report at once to the General Officer Commanding, when any increase of venereal disease occurs amongst their men. Such reports to show the supposed causes of the increase, and the measures adopted for its suppression, and after remark by the Deputy Surgeon General to be forwarded to the Quartermaster General's Office. 5. The Lock Hospital Sub-Committees are to be assembled at least once a month, and their reports forwarded to General Officers Commanding. 6. It is considered that a careful attention to these points will contribute considerably towards checking the spread of venereal disease, and His Excellency hopes that no effort will be spared by either Regimental, Medical, or Local authorities to ensure more satisfactory results than have hitherto been obtained.
No. 67, dated 19th August 1876.	The annual reports on the working of Lock Hospitals during the year 1875, show that much venereal disease was contracted when on the line of march; Commanding Officers' attention should therefore be called to Circular No. 43 of 1870, and to the Medical Regulations which direct the Medical examination for venereal disease of every unmarried soldier on the day of his arrival at a new station from the line of march; and the effective inspection of the prostitutes accompanying the regimental bazars.
No. 11, dated 28th February 1878.	As it would appear that the great increase which prevails in a regiment on the line of march is attributable in a great measure to illicit prostitution, requests that the necessity for the exercise of greater care and vigilance on the line of march may be urged upon regimental authorities. 2. If necessary, some restriction should be placed on the men going out of camp, by posting picquets in different directions, and strengthening them when cases of venereal increase.
No. 68, dated 24th November 1880.	Draws attention to Circular No. 67 of 1876, and requests that the instructions therein contained regarding the medical examination of all unmarried soldiers on first arrival at a new station may be carried out, care being taken that the examination of the men is conducted with the utmost decency. 2. These medical examinations are of importance in detecting the existence and arresting the spread of venereal disease.
No. 23, dated 23rd April 1883.	Forwards for information and guidance an extract from a ruling of the Chief Court, Punjab, regarding the registration of women convicted of practising illicit prostitution.
No. 69, dated 26th November 1883.	The Commander in Chief requests that careful attention of Cantonment Committees and Lock Hospital Sub-Committees may be directed to the following points, wherever free quarters for registered women have been, or may hereafter be, established:— 2. Where cantonment funds can afford it, experienced and reliable Dhais should be employed to supervise the registered women.

Number and Date of Circular.	PURPORT.
No. 69, dated 26th November 1883 —*continued.*	3. Such Dhais should be well paid if the fund can afford it, and they should be held responsible that:—
	I. The women under their charge consort with none but Europeans.
	II. That they do not entertain a man in any house but the one allotted them as quarters;
	III. That a woman is sent to hospital immediately she is found to be diseased;
	IV. To ensure the latter, the Dhai should examine the women daily between the periodical inspections of the medical officer.
	4. Soldiers who have been diseased by registered women, have been frequently known to attribute it to women met in their walks outside the bazaar, and the diseased woman has thus been allowed to practise her trade in this state for some time without detection.
	5. Every house should therefore be numbered outside, or in some conspicuous spot inside, and a soldier on reporting himself sick should not be required to personally point out the woman from whom he contracted the disease, but merely to give the number of her house.
	6. If the Dhai does her duty, these measures should lead to the early detection of disease amongst registered women.
	7. Each house should be provided with a urinal and means of ablution, and such other preventive measures, within the means of the Cantonment Fund, as suggest themselves to local committees should be freely resorted to.
	8. His Excellency will be prepared to sanction any reasonable expenditure from cantonment funds on the measures therein suggested,
No. 42, dated 12th July 1884.	Requests that the attention of Officers Commanding Stations may be drawn to the desirability when constructing free quarters for registered women, of providing houses that will meet the wishes of the women.
	2. Unless their comfort and the convenience of those who consort with them is considered, the results will not be satisfactory.

EAST INDIA (CONTAGIOUS DISEASES).

COPY of a CIRCULAR MEMORANDUM by the QUARTERMASTER GENERAL in *India*, dated 17th June 1886.

(*Sir John Gorst.*)

Ordered, by The House of Commons, *to be Printed,*
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H.—13. 6. 88.

EAST INDIA (CONTAGIOUS DISEASES ACTS).

RETURN to an Address of the Honourable The House of Commons, dated 15 May 1888;—*for*,

"COPY of the DESPATCH from the SECRETARY OF STATE FOR INDIA IN COUNCIL to the INDIAN GOVERNMENT, with respect to the CONTAGIOUS DISEASES ACTS and the CANTONMENT ACTS, and Regulations of that Country."

India Office,
17 May 1888.

J. A. GODLEY,
Under Secretary of State for India.

(*Mr. Stansfeld.*)

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COPY of the DESPATCH from the SECRETARY OF STATE FOR INDIA IN COUNCIL to the INDIAN GOVERNMENT, with respect to the CONTAGIOUS DISEASES ACTS and the CANTONMENT ACTS, and Regulations of that Country.

(Military, No. 123.)

To his Excellency The Right Honourable the Governor General of India in Council.

My Lord, India Office, London, 17 May 1888.

Operation of the Contagious Diseases Act, 1868, and of the Cantonment Acts of 1880.

M. 4013.

I HAVE received and considered in Council your Lordship's Despatch in the Home Department, No. 6, dated 27th March 1888, on the question of the operation of the (India) Contagious Diseases Act, and the cognate subject of the rules passed under the provisions of the Cantonment Acts of 1880, for inspecting and controlling brothels, and preventing the spread of venereal disease.

2. I am glad to find that your Lordship agrees with me in thinking that these two subjects should be separately considered. With regard to the first, I observe that the Contagious Diseases Act was, at the time of your writing, in operation only in the towns of Madras and Bombay, and in the town of Bassein, in Lower Burmah, in which latter place it had been applied at the special request of the Municipal Committee.

3. Notwithstanding the reasons for thinking that the enforcement of the Act has not been unproductive of good from a sanitary point of view, your Government have come to the conclusion, on other grounds, that it is no longer desirable to maintain the Act even in its present limited area, and not being now prepared to propose a more extended application of the law, you have decided therefore to suspend its operation in the localities above mentioned.

4. This is a matter which is by law within the discretion of the Government of India, and I assent to the course you have taken, but as it appears from your Despatch under reply that you were of opinion that the operation of the Act had, on the whole, been beneficial in those places in which it had been in force, I request that the effect of the suspension of the Act may be carefully watched, and that you will from time to time communicate the result for my information.

5. With respect, however, to the second point for consideration, that is to say, the operation of Section 27, Clauses 7 and 31, of the Cantonment Act, No. III. of 1880, the matter stands on a different footing, and is more strictly limited in its application.

6. I am aware that the subject has long been one of anxious consideration in India, from the time when the measure was first brought into operation by the Government of the late Lord Lawrence until the present date, and that the protection of the health and efficiency of the British garrison as a paramount duty of the ruling power has been kept steadily in view. The maintenance generally of the cantonments in a proper sanitary condition, the prevention and cure of ordinary disease (mentioned in the 6th section of the 7th clause of the Act), and the preventing the spread of venereal disease (mentioned in the 7th section) are equally matters of the highest importance; and all infectious disease ought to be dealt with as a question of police. No examination should be imposed upon women compulsorily, but, on the other hand, no person who

is

is reasonably suspected of being in a condition likely to spread the infection of any dangerous disease whatever ought to be allowed within the cantonment except in hospital, and no one who is so suspected and who objects to such medical treatment as may be necessary ought to be allowed to remain within the cantonment at all.

7. The result of the latest inquiries which you have instituted into the operation of these rules, and the experiment tried in 1885-86 of suspending their operation and closing the lock hospitals in 15 of our larger cantonments, have shown the necessity for some regulations for the repression of prostitution and the prevention of venereal disease within cantonments. The duty is therefore imposed upon the Government of endeavouring to give effect to the existing law by rules framed on the principles I have above indicated. The rules which have been framed under Clauses 7-31 of Section 27 of Act III. of 1880, appear to me to require careful revision; and in such revision the principle should be steadily borne in mind that the efforts to control prostitution, and to mitigate its attendant evils, should not be developed into anything that can assume the appearance of an encouragement of vice by the Government and its officers. There should be no regulations which can be justly construed into a legalisation of prostitution.

8. I desire, however, to express my hope that the operation of the regulations will be confined within the smallest possible area round cantonments, and that it may be found practicable to restrict the exercise of the authority given in Section 31 of the Act of 1880 within the narrowest limits, especially in the neighbourhood of towns.

9. Since I received your last Despatch a paper has been placed in my hands, purporting to be a copy of a circular memorandum issued from Army Headquarters in India, and I learn from your telegram of the 8th instant that such circular is authentic. I have no reason to doubt that the copy placed in my hands is correct; and, although it has already been withdrawn, I feel bound to express my deep regret, in which I know your Excellency shares, that any such document should ever have been issued, nor can I in any way reconcile its contents with the report made to you in Quartermaster General's letter, No. 3713, B., of 2nd August 1887, and contained in the enclosures to your Despatch of the 24th January 1888.

I have, &c.
(signed) *Cross.*

EAST INDIA
(CONTAGIOUS DISEASES ACTS).

COPY of the DESPATCH from the SECRETARY OF STATE FOR INDIA IN COUNCIL to the INDIAN GOVERNMENT, with respect to the CONTAGIOUS DISEASES ACTS and the CANTONMENT ACTS, and Regulations of that Country.

(Mr. Stansfeld.)

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EAST INDIA (CONTAGIOUS DISEASES ACTS).

RETURN to an Address of the Honourable The House of Commons, dated 7 June 1888;—*for*,

"COPY of the MINUTES of DISSENT by certain Members of the COUNCIL of INDIA from the DESPATCH addressed by the SECRETARY of STATE to the GOVERNMENT of INDIA regarding the CONTAGIOUS DISEASES ACTS."

India Office,
11 June 1888.

J. A. GODLEY,
Under Secretary of State for India.

(Sir Richard Temple.)

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COPY of the MINUTES of DISSENT by certain Members of the COUNCIL of INDIA from the DESPATCH addressed by the SECRETARY of STATE to the GOVERNMENT of INDIA respecting the CONTAGIOUS DISEASES ACTS.

EXTRACT from the Minutes of the Council of India.

AT a meeting of the Council of India, held on Monday, 14th May 1888, Viscount Cross, Secretary of State, presiding:

The Draft of a Military Despatch to India on the subject of the operation of the (India) Contagious Diseases Act, 1868, and of the Cantonments Acts of 1880, was, on a motion, negatived.

For the Draft, 4.	Against, 9.
Sir J. Peile.	Sir A. Arbuthnot.
Sir H. Rawlinson.	Sir O. Burne.
Sir D. Stewart.	Mr. Currie.
Sir C. Turner.	General Foster.
	Mr. Hardie.
	Sir P. Lumsden.
	Sir A. Lyall.
	Sir J. Strachey.
	General Strachey.

The Secretary of State, under the powers vested in him by 21 & 22 Vict. c. 106, s. 23, stated that he did not concur in the opinion of the majority, and that he should send the Despatch to India.

THE following Opinions and Reasons were subsequently recorded.

Opinion of Sir John Strachey.

AT the meeting of the Council this day the Secretary of State invited us to give our assent to the Draft of a Despatch which it was proposed to send to the Government of India on the subject of the (India) Contagious Diseases Act, and of the rules passed under the Cantonment Acts of 1880, for preventing the spread of venereal disease. We were informed that the Despatch had already received the sanction of the Cabinet, and the Secretary of State has decided that it shall be sent to India, although this course has been disapproved by a majority of the Council. Under these circumstances, I desire, in accordance with the provisions of Section 23 of Act 21 & 22 Vict. c. 106, that my opinion on the question may be entered in the Minutes of the Proceedings.

I object to the orders contained in paragraphs 6 and 7 of the Despatch. No one acquainted with the facts of the case can doubt that the inevitable result of those orders must be the complete abandonment of all efforts to protect the troops against one of the most serious of all the dangers to which they are exposed, and that increase of disease must follow, with great diminution in the efficiency of the Army. It has been conclusively proved by experience in India that these diseases, in their worst form, can be almost entirely prevented by proper measures of sanitary regulation, and such measures need involve, in India, none of the difficulties and objections which attend attempts to deal with the question in this country. I am of opinion

 that

that the Council would fail to discharge an obvious duty if it abstained from protesting against the issue of orders which are certain to cause grave injury to the health of the British Army, and to serious loss of military strength, and which will be received with disapproval and regret by the Government of India and by almost every Indian authority.

14 May 1888.

Opinion of General Strachey.

I AGREE generally with the foregoing statement of objections to the Despatch in question, which sufficiently represents my own views.

14 May 1888.

Opinion of Sir Alexander Arbuthnot.

I THINK it necessary to place on record my reasons for being unable to concur in the terms of the Despatch which the Secretary of State laid before the Council at our meeting on the 14th instant, and which I understand he has since sent to the Governor General in Council, on the subject of the operation of the Indian Contagious Diseases Act and of the rules framed under the provisions of the Cantonment Acts for inspecting and controlling brothels, and preventing the spread of venereal disease.

In the first place I regard, with great apprehension, the assent given in the fourth paragraph of the Despatch to the course which has been taken by the Government of India in suspending the Contagious Diseases Act of 1868 in those places where it was still in operation. That Act was passed by the Government of Lord Lawrence, after very full consideration, and in view of the paramount necessity of maintaining the health and efficiency of the British garrison in India; and it is clear, from the papers submitted with the recent Despatch from the Government of India, that the maintenance of the Act in effective operation is essential for the protection of that part of the British garrison which is quartered in the Presidency towns. The Government of India expressly state that the suspension of the Act in Calcutta, where it was withdrawn from operation in 1881, has been followed by a greater prevalence of venereal disease, and that that disease has assumed a more virulent type. In these circumstances it appears to me that the decision of the Government of India to suspend the Contagious Diseases Act, while maintaining in operation the provisions bearing upon the same subject in the several Cantonments Acts, is at once inconsistent and indefensible; for it is obvious that if the protective measures provided in the Cantonment Acts are necessary in the case of soldiers quartered at stations which have been declared to be military cantonments, they are equally necessary in the case of soldiers quartered at the Presidency towns, or at any other places which, owing to special circumstances, cannot be brought under the Cantonment Acts. To deny to British soldiers at Fort William, Fort St. George, and Bombay, forming, as these garrisons do, a by no means inconsiderable proportion of the entire British garrison in India, the protection which is deemed necessary for our soldiers at Rawul Pindi, and Bellary, and Belgaum, and the rest of our military cantonments, appears to me to be a thing which it is impossible to justify.

Another serious objection, in my opinion, to the suspension of the Contagious Diseases Act, is the handle which it will afford to the opponents of legislation of the kind now under consideration for urging the entire repeal of the rules in operation under the Cantonment Acts. The opposition to the Contagious Diseases Act is directed against the policy embodied in that Act, in whatever garb it may be clothed, and that opposition will be in no way disarmed by abandoning the Contagious Diseases Act, while maintaining, even in the modified form proposed in the Secretary of State's Despatch, the rules framed under the Cantonment Act. The object of the Contagious Diseases Act and of the Cantonment Acts is one and the same, so far as regards the protection of British troops in India from venereal disease. If the agitation now in progress shall be successful, the rules which the Government of India, as well as the Governments of Madras and Bombay, have pronounced to be essential for the protection of the health of our troops, will have to be cancelled.

I also

I also object to the order conveyed in the sixth paragraph of the Despatch, to the effect that "no examination should be imposed upon women compulsorily." It has been held all along that the compulsory examination of prostitutes consorting with British soldiers is essential for the protection of the latter, and there can, I think, be no doubt that the abandonment of that important provision in the rules will disastrously impair their efficacy in repressing prostitution and preventing the spread of venereal disease in our cantonments.

And lastly, I object to the general tone of the Despatch as being calculated to discourage the effective application of a system which for the last 20 years has been pronounced by a large majority of the chief civil, military, and sanitary authorities in India to be necessary for the protection of the health and efficiency of the British soldier serving in that country. The efficacy of that system, wherever it has been thoroughly carried out, in reducing the extent, and especially in mitigating the type of disease, appears to be incontestable. The admissions of the Government of India and of the Government of Madras as to the operation of the Contagious Diseases Act in Calcutta and Madras, and still more, the disastrous results which ensued from suspending in 1885 in certain cantonments the rules under the Cantonment Acts, would seem to be conclusive on this point.

It is hardly necessary to dwell upon the enormous importance of the object with which the Government of Lord Lawrence introduced the legislation which it is now sought to repeal. It is impossible to exaggerate the importance of preserving the health, and with it the efficiency, of the British Army in India. The interests, moral as well as material, which depend upon the efficiency of that army, are interests of the first magnitude, and, in my opinion, it would be an act not only unwise, but absolutely unjustifiable, to withdraw from or abstain from affording to our young soldiers, to the utmost of our power, the protection which they need to save them from the consequences of yielding to temptations to which, in their position, they are peculiarly exposed; a protection which is absolutely necessary to maintain our Army in an efficient condition. A good deal is being said and written at the present time as to the insufficiency of our armaments, naval and military, for the defence of the Empire; but surely no conceivable improvements in our ships and our guns, or in the numerical strength and equipment of our Army, can compensate for the unchecked spread among our soldiers and sailors of diseases which render them unfit for duty, and which fill our naval and military hospitals with invalids.

While holding these views, I fully recognise the excellence and the purity of the motives which actuate many of those persons, both in this country and in India, who are urging the repeal of the Acts. At first sight there is much to be said in favour of the objections which have been advanced; and here I desire to say that while dissenting from the greater part of this Despatch, I entirely concur in the condemnation which its concluding paragraph embodies upon the extraordinary and most objectionable Circular Memorandum therein referred to as having been issued two years ago from Army Head-quarters in India. But it is one thing for the State to provide its soldiers with the means of indulging in vice; it is quite another thing to exercise such control over evils which it is admitted cannot be altogether suppressed, as may be considered to be essential for the prevention of disease. And I am persuaded that no practical man, throughly acquainted with the facts, can resist the conclusion that the objections which have been advanced are, when fairly examined, far more than counterbalanced by the evils which are certain to result from the repeal of the Acts. It should be borne in mind by all who have to deal with this subject that the Acts which are now assailed with so much vehemence are, as the Commander in Chief of the Madras Army points out, "not based upon the theory that vice is a necessity to man; they are based on the theory that the total suppression of prostitution is not practically possible." And if it is admitted that the State cannot suppress the evil, there is surely much force in the remark made in the Report of the Parliamentary Committee of 1879, that "it is difficult to see how those who make this admission, and thus absolve the State from the obligation of suppression, can consistently deny the State the

right to take effective measures for the purpose of minimising the injurious results of the evil."

There is one other point raised by the papers now before us on which I wish to say a few words. It is evident that in consenting to suspend the Contagious Diseases Act the Government of India as well as the Governments of Madras and Bombay have all been influenced by considerations connected with the agitation against the Act which has been carried on in this country, and with the policy which has been adopted in this matter with reference to the United Kingdom and the Crown Colonies. It appears to me that in acting upon these considerations both the Government of India and the Local Government have failed to realize in its full extent the duty which attaches to them as responsible for the good government of India, and for the safety and efficiency of the army employed in that country. In my opinion, it is the clear duty of the Indian Government to treat such questions mainly from the point of view of that which is demanded in the interests of India, leaving it to the Secretary of State and the Cabinet to determine how far those interests can be guarded compatibly with Imperial political considerations. But if Imperial considerations are to enter into the decision of this question, as they undoubtedly must in the last resort, then I would remark that if it be only from a regard to the health of the population of this country, there are very strong grounds for maintaining and enforcing the operation of these Acts in India. Under the present system of short service, which annually sends home numbers of young soldiers to return into civil life, there is a grave danger, if these young men are not, as far as possible, protected from those virulent forms of venereal disease which prevail in India, that they, after they return home, marrying, as many of them will do, will infect innocent women, and bring into the world children tainted from their birth with the consequences of a loathsome disease. This is essentially a matter of national interest, seriously concerning those classes of the English population from which our soldiers are taken, and demanding grave consideration from all who regard the health of our population as a question of surpassing importance.

21 May, 1888.

Opinion of General Foster.

I CONCUR with the dissent of Sir Alexander Arbuthnot.

29 May 1888.

Opinion of Sir Owen Burne.

REGARDING this question solely in its bearing on the health and efficiency of the British Army, which is at all times, and more especially at this critical period, a matter of paramount importance to the State, I regret the suspension of the Contagious Diseases Act in any form, or in any part of the Empire. More especially do I regret that suspension in a country like India, where the British soldier is peculiarly exposed to contagious diseases of a most virulent character, and, as a necessary consequence, requires protection from them by enactments which, however distasteful to our moral feelings, can only be useful in so far as they are stringent and complete in effect.

While fully recognising the invidious and difficult position in which the Government, both in India and at home, have been placed by the unwise action of regimental and other military authorities in India in their administration of the Cantonment Act, I feel unable to concur in the Despatch laid before Council on the 14th instant, for the reasons so ably stated by Sir Alexander Arbuthnot.

26 May 1888.

Opinion of Sir Peter Lumsden.

FOR reasons similar to those so fully set forth in Sir Alexander Arbuthnot's Memorandum, I dissented from the Draft of the Despatch to the Government of India, on the question of the (India) Contagious Diseases Act, and the rules passed under the provisions of the Cantonment Acts of 1880,

submitted

submitted to Council on the 14th May. I regret that two questions so entirely distinct as the operation of Acts brought into force to prevent the spread of so virulent a scourge as venereal disease, and the issue of an objectionable document from Army Head-quarters in India, which might be construed into the encouragement of vice by the authorities in India, should be mixed up together.

I am firmly convinced, from my long experience in the Quartermaster General's department, that the proposed restrictions in the Draft, directed to be applied to the Cantonment Rules drawn up under Act III. of 1880, must result in the destruction of an increased number of our soldiers in India, and tend to materially depreciate the efficiency of the Army.

28 May 1888.

EAST INDIA (CONTAGIOUS DISEASES ACTS).

COPY of the MINUTES of DISSENT by certain MEMBERS of the COUNCIL of INDIA from the DESPATCH addressed by the SECRETARY of STATE to the GOVERNMENT of INDIA regarding the CONTAGIOUS DISEASES ACTS.

(Sir Richard Temple.)

Ordered by The House of Commons, *to be Printed,*
13 *June* 1888.

[*Price* 1 *d.*]

220. H.—22. 6. 88. *Under* 1 *oz.*

EAST INDIA (CONTAGIOUS DISEASES ACTS).

RETURN to an Address of the Honourable The House of Commons, dated 4 February 1887;—*for*,

"RETURN, giving,—

1.—COPY of INDIA ACT XIV. of 1868 (Contagious Diseases Act);

2.—LIST of PLACES in which RULES under ACT XIV. of 1868 are in force;

3.—COPIES of NOTIFICATIONS and RULES in force under ACT XIV. of 1868, in *Madras* and *Bombay*;

4.—COPIES of, or EXTRACTS from, INDIA ACT III. of 1880, MADRAS ACT I. of 1866, and BOMBAY ACT III. of 1867 (Cantonment Acts);

5.—COPY of RULES in force under Section 19, Clause 7, of MADRAS ACT I. of 1866;

6.—LIST of PLACES in which RULES similar to the above are in force under the several CANTONMENT ACTS."

India Office,
7 February 1887.

JOHN E. GORST,
Under Secretary of State for India.

(*Mr. James Stuart.*)

Ordered, by The House of Commons, *to be Printed*,
28 *February* 1887.

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EAST INDIA (CONTAGIOUS DISEASES ACTS).

— I. —

COPY of INDIA ACT XIV. of 1868 (CONTAGIOUS DISEASES ACT).

ACT No. XIV. of 1868.

PASSED BY THE GOVERNOR GENERAL OF INDIA IN COUNCIL.

(*Received the Assent of the Governor General on the 17th April* 1868.)

AN ACT for the Prevention of certain CONTAGIOUS DISEASES.

WHEREAS it is expedient to provide for the better prevention of certain contagious diseases; it is hereby enacted as follows:— Preamble.

Preliminary.

1. This Act may be cited as "The Indian Contagious Diseases Act, 1868." Short title.

2. In this Act— Interpretation clause.

"Magistrate" means any person exercising the powers of a magistrate or of a subordinate magistrate of the first class, and includes a magistrate of police in a Presidency town. "Magistrate."

"Contagious disease" means any contagious venereal disease. "Contagious disease."

"Brothel-keeper" means the occupier of any house, room or place to or in which women resort or are for the purpose of prostitution, and every person managing or assisting in the management of any such house, room or place. "Brothel-keeper."

3. The places to which this Act applies shall be such places as the Local Government shall from time to time, with the previous sanction of the Governor General of India in Council, specify by Notification in the Official Gazette. The limits of such places shall, for the purposes of this Act, be such as are defined in the said Notification, and may from time to time, with such sanction as aforesaid, be altered by a like Notification. Extent of Act.

Unregistered Prostitutes and Brothel-keepers.

4. In any place to which this Act applies, no woman shall carry on the business of a common prostitute, and no person shall carry on the business of a brothel-keeper without being registered under this Act at such place, and without having in her or his possession such evidence of registration as hereinafter provided. Punishment of unregistered prostitutes and brothel-keepers.

Any woman carrying on the business of a common prostitute, and any person carrying on the business of a brothel-keeper, without having been registered as aforesaid, or without having in her or his possession such evidence as aforesaid, shall, on conviction before a magistrate, be punished with imprisonment for a term which may extend to one month, or with fine not exceeding 100 rupees, or with both.

Registration of Prostitutes and Brothel-keepers.

Local Government to make rules for registration and appoint officers.

5. The Local Government shall make rules for the registration of common prostitutes and of brothel-keepers, and shall appoint officers for the conduct of such registration, and may, with the previous sanction of the Governor General of India in Council, assign salaries and establishments to the said officers. The Local Government shall also provide such books and forms as may be necessary for the purposes of this Act.

Every woman complying with such rules (so far as they relate to prostitutes) and every brothel-keeper complying with such rules (so far as they relate to brothel-keepers) shall be deemed to be registered under this Act, and the registering officer shall furnish her or him with such evidence of registration as the Local Government shall from time to time direct.

The name, age, caste (if any) and residence of every such woman and such other particulars respecting her as the Local Government shall from time to time direct, shall be entered in a book to be kept for that purpose.

The name and residence of every such brothel-keeper and the situation of the house, room or place in which he carries on his business shall be entered in a book to be kept for that purpose.

Change of residence.

6. Whenever any such woman changes her residence, she shall give notice thereof to such person and in such manner as the Local Government shall from time to time direct, and the necessary alterations shall be made in the said book and in the evidence of registration furnished to her as aforesaid.

Any such woman failing to give notice as aforesaid shall, on conviction before a magistrate, be punished with imprisonment for a term which may extend to 14 days, or with fine not exceeding 50 rupees, or with both.

Whenever any brothel-keeper changes his residence or acquires or enters into the occupation of any such house, room or place as last aforesaid, other than the house, room or place of which the situation has been registered as aforesaid, he shall give notice thereof to such person and in such manner as the Local Government shall from time to time direct, and the necessary alterations or additions shall be made in or to the said book and in the evidence of registration furnished to him as aforesaid.

Any such brothel-keeper failing to give notice as last aforesaid shall, on conviction before a magistrate, be punished with imprisonment for a term which may extend to one month, or with fine not exceeding 100 rupees, or with both.

Refusal to show Evidence of Registration.

Penalty for refusing to show evidence of registration.

7. Any registered woman or brothel-keeper who, without reasonable excuse, neglects or refuses to produce and show the evidence of her or his registration with which she or he shall have been furnished as aforesaid, when required so to do by such officer as the Local Government shall from time to time appoint in this behalf, shall, on conviction before a magistrate, be punished with imprisonment for a term which may extend to fourteen days, or with fine not exceeding 50 rupees, or with both.

Information of the class of officers for the time being authorised to make requisitions under this section shall be furnished to registered women and brothel-keepers, under such rules as the Local Government shall from time to time prescribe.

Special Provisions relating to Brothels.

Penalty for permitting unregistered prostitutes to resort to brothels.

8. If any brothel-keeper, whether registered as such under this Act or not, has reasonable cause to believe any woman to be a prostitute and not to be registered under this Act, and induces or suffers her to resort or be, for the purpose of prostitution, to or in the house, room or place in which he carries on his said business, he shall, on conviction before a magistrate, be punished with imprisonment for a term which may extend to six months, or with fine which may extend to 1,000 rupees, or with both.

Proviso.

Provided that nothing in this or any other section of this Act shall exempt the offender from any penal or other consequences to which he may be liable for keeping or being concerned in keeping a brothel or disorderly house or for the nuisance thereby occasioned.

9. Every

9. Every such brothel-keeper shall be legally bound to furnish information on any subject relating to his business to such officers and in such manner and at such times as the Local Government shall from time to time prescribe in this behalf. Every such officer shall, for the purposes of this section, be deemed to be a public servant. Brothel-keepers legally bound to furnish information.

Examination of Prostitutes.

10. The Local Government shall have power to appoint persons to make periodical examinations of registered women in order to ascertain whether at the time of each such examination they are affected with contagious disease. Examination of Prostitutes.

11. For each of the places to which this Act applies, the Local Government may make rules consistent with this Act respecting the times and places of examination under this Act at that place, and generally respecting the arrangements for the conduct of those examinations and for recording the results thereof; and a copy of rules purporting to be rules under this section shall, if signed by a Secretary to such Government, be evidence of such rules for the purposes of this Act. Local Government may make rules as to examinations.

The Local Government may also require the persons making such examination to send in reports to such persons at such times and in such form as the Local Government shall from time to time prescribe. Reports.

Any person not a medical officer appointed to make such examination, and any registered woman, disobeying any rule made under this section, shall, on conviction before a magistrate, be punished with simple imprisonment for a term which may extend to one month, or with fine not exceeding 100 rupees, or with both. Penalty for disobeying rules.

Certified Hospitals.

12. The Local Government may from time to time provide any buildings or parts of buildings as hospitals for the purposes of this Act. Local Government may provide and certify hospitals.

Any building or part of a building so provided and certified in writing by a Secretary to the Local Government to be so provided, shall be deemed a certified hospital under this Act.

Every certified hospital so provided shall be placed under the control and management of such persons as to the Local Government shall from time to time seem fit. Control of such hospitals.

13. The Local Government shall make regulations for the inspection, management, and government of the hospitals as far as regards women authorized by this Act to be detained therein for medical treatment or being therein under medical treatment for a contagious disease. Regulations for management of hospitals.

A copy of regulations purporting to be regulations made under this section shall, if signed by a Secretary to such Government, be evidence of such regulations for the purposes of this Act.

14. Any woman registered under this Act shall, on receiving notice from any such officer as the Local Government shall from time to time appoint in this behalf, proceed to the certified hospital named in such notice and place herself there for medical treatment. Registered prostitutes on receiving notice to go to hospital.

If after the notice is delivered to her, she neglects or refuses to proceed to the said hospital within the time specified in the said notice, an officer of police shall apprehend her and convey her with all practicable speed to such hospital, and place her there for medical treatment. Penalty for neglect or refusal.

15. Whenever any such woman affected with contagious disease places herself or is placed as aforesaid in a certified hospital for medical treatment, she shall be detained there for that purpose by such medical officer of the hospital as the Local Government shall from time to time appoint in this behalf until discharged by him by writing under his hand. Detention of prostitutes under medical treatment.

Medical treatment, lodging, clothing and food shall be provided gratis for every such woman during her detention in the hospital.

16. If any woman authorized by such medical officer to be detained in a certified hospital for medical treatment, quits the hospital without being discharged Penalty for leaving hospital before discharge.

charged therefrom by the chief medical officer thereof, by writing under his hand (the proof whereof shall lie on the accused), or

Penalty for disobeying regulations of hospital.

If any woman authorized by this Act to be detained in a certified hospital for medical treatment, or any woman being in a certified hospital under medical treatment for a contagious disease, refuses or wilfully neglects while in the hospital to conform to the regulations thereof approved under this Act,

Then and in every such case such woman shall, on conviction before a magistrate, be punished with imprisonment, in the case of a first offence, for any term not exceeding one month, and in the case of a second or any subsequent offence, for any term not exceeding three months; and in case she quits the hospital without being discharged as aforesaid, she may be taken into custody without warrant by any officer of police.

On the expiration of her term of imprisonment under this section, such woman shall be sent back from the prison to the certified hospital, and shall be detained there unless the medical officer of the prison at the time of her discharge from imprisonment certifies in writing that she is free from contagious disease (the proof of which certificate shall lie on her).

Out-door Treatment of Prostitutes.

Power to provide for out-door treatment of registered women.

17. It shall be lawful for the Local Government to empower such surgeons or other persons as it shall from time to time appoint, to prescribe, by order to be served on any woman registered under this Act, who has not received a notice under Section 14, the times and places at which she shall attend for medical treatment, and, if necessary, the medical treatment to which she shall submit.

Every such woman disobeying or failing to comply with any such order shall, on conviction before a magistrate, be punished with imprisonment for a term which may extend to a month, or with fine not exceeding 100 rupees, or with both.

Penalty for acting as a prostitute while under medical treatment.

18. If any registered woman on whom such order as last aforesaid shall have been served conducts herself as a common prostitute before such surgeon or other person empowered as last aforesaid certifies in writing to the effect that she is then free from a contagious disease (the proof of which certificate shall lie on her), she shall, on conviction before a magistrate, be punished with imprisonment for a term which may extend to six months, or with fine not exceeding 500 rupees, or with both.

Subsistence allowance.

19. During the interval between the service of such order upon any registered woman and the granting of such certificate, an allowance for her subsistence shall be provided of such amount and in such manner as the Local Government shall from time to time prescribe.

Segregation of Prostitutes.

Penalty for residing in street or place after prohibition.

20. In any place to which the Local Government shall, by Notification in the Official Gazette, have specially extended this section, it shall be lawful for such officer as the Local Government shall from time to time appoint in this behalf, to cause a notice to be served on any registered woman, requiring her, after an interval of not less than seven days to be mentioned in the notice, not to reside in any street or place therein specified.

Any registered woman on whom such notice shall have been served disobeying the requisition therein contained shall, on conviction before a magistrate, be punished with imprisonment, in the case of a first offence, for any term not exceeding one month, and in the case of a second or any subsequent offence, for any term not exceeding three months.

Removal from Registry.

Removal of name from registry.

21. The Local Government shall lay down rules prescribing a procedure in accordance with which any woman registered under this Act and desirous of ceasing to carry on the business of a common prostitute in the place at which she is registered and of having her name removed from the said book, may have her name removed accordingly.

Miscellaneous.

22. No prosecution shall be instituted under this Act except at the instance of such officer as the Local Government shall from time to time appoint in this behalf. Institution of prosecutions.

23. In any proceeding under this Act, any notice, order, certificate, copy of regulations, or other document purporting to be signed by any person in the service of Government, or by any person whom the Local Government shall have, in exercise of the powers conferred on it by this Act, appointed to sign such document, shall on production be received in evidence, and shall be presumed to have been duly signed by the person and in the character by whom and in which it purports to be signed, until the contrary is shown. Presumption as to signatures.

24. Every notice and order required by this Act to be served on a woman shall be served by delivery thereof, either to her personally or to some person for her at her usual place of abode. Service of notice.

25. Any suit against any person for anything done in pursuance of this Act, shall be commenced within three months after the thing done, and not otherwise. Limitation of suits.

Notice in writing of every such suit and of the cause thereof shall be given to the intended defendant one month at least before the commencement of the suit.

The plaintiff shall not recover if tender of sufficient amends is made before suit, or if a sufficient sum of money is paid into Court after suit brought, by or on behalf of the defendant.

26. The Local Government shall have power from time to time to declare by what officer anything directed to be done by this Act shall be done, and by what class of officers information regarding anything made an offence by this Act shall be exclusively furnished. Power to make rules.

The Local Government may also from time to time make rules consistent with this Act for the guidance of officers in all matters connected with its enforcement.

The Local Government may also from time to time alter and add to any rules or regulations made under this Act: Provided that such alterations and additions are not inconsistent with any of the provisions hereinbefore contained.

— II. —

LIST of PLACES in which RULES under ACT XIV. of 1868 are in force.

City of Madras, within local limits of original jurisdiction of High Court.

City of Bombay, within municipal limits.

— III. —

COPIES of NOTIFICATIONS and RULES in force under ACT XIV. of 1868, in *Madras* and *Bombay*.

PROCEEDINGS of the Madras Government, Public Department, 29th September 1868.

READ again Proceedings of Government, dated 29th July 1868, No. 189—191.

Read also the following papers:—

No. 237.—From the Under Secretary to the Government of India, Home Department (Public), to the Chief Secretary to Government, Fort Saint George; dated Simla, 6th July 1868, No. 2853.

I am directed to acknowledge the receipt of your letter, No. 698, dated the 9th ultimo, and in reply to state that the Governor General in Council sanctions the proposed publication of a Notification, declaring Act XIV. of 1868 (Indian Contagious Diseases Act) applicable to the town of Madras.

2. The Governor General in Council, I am to add, will be glad of information regarding the measures that may be taken for carrying out the provisions of the Act, as the experience gained in Madras may be useful in other parts of India.

No. 238.—TELEGRAM from the Secretary to the Government of India, Home Department, to the Chief Secretary to Government, Fort Saint George; dated Simla, 17th September 1868, No. 3810.

Establishment, costing 1,935 rupees a month, sanctioned for carrying out Contagious Diseases Act XIV. of 1868 in Madras, but any further expenditure, if necessary hereafter, must be borne by municipality and not by Government.

No. 239.—ORDER thereon, 29th September 1868, No. 1216.

The Governor in Council is pleased to appoint Mr. H. Stanbrough, Health Officer to carry into effect the rules, under Sections 5 and 11 of Act XIV. of 1868 (Contagious Diseases Act), approved in G. O., dated 29th July 1868.

2. The establishment and salaries contained in the tabular statement annexed to the Government Proceedings above quoted are sanctioned, and Mr. Stanbrough will, in communication with the Inspector General of the Indian Medical Department, lose no time in selecting the pensioned apothecaries charged with the duties of the medical examination of prostitutes, and in forming the establishment necessary for giving effect to the recommendations of the Committee, as contained in the Proceedings of Government, dated 29th July last, and for enforcing the rules which have been approved by the Government. Mr. Stanbrough will report to Government the date upon which his arrangements are sufficiently completed to enable him to commence the registration of prostitutes, as provided in Act XIV. of 1868.

3. The Government desire to impress on Mr. Stanbrough the importance of his exercising the closest personal supervision over the subordinate agency engaged in carrying out the rules connected with Act XIV. of 1868, the object of which is the prevention of contagious disease. In the application of these rules it will be necessary to guard against confounding concubinage and public prostitution, the difference between these being in this country clearly defined and generally recognised, and the greatest care must be taken that the enforcement of rules devised for the necessary protection of the public health is not converted by the subordinate agency into a means of extortion and oppression.

4. The

4. The Government rely upon the cordial co-operation of the police in assisting the Health Officer in the performance of his duty, and in bringing to that officer's notice any illicit practices on the part of his subordinate agents.

5. Ordered that the following Notification be published in the *Fort Saint George Gazette*:—

NOTIFICATION.

The Governor in Council directs it to be notified that under Section 3 of "The Indian Contagious Diseases Act" (No. XIV. of 1868), and with the sanction of the Governor General of India in Council, the provisions of the Act in question shall take effect in the town of Madras from and after the 15th October 1868, and that the limits of the said town shall, for the purposes of the Act, be the local limits of the High Court of Judicature at Madras.

To H. Stanbrough, Esq., with Proceedings, 29th July 1868.
To the Inspector General, Indian Medical Department.
„ Commissioner of Police.
„ Sanitary Commissioner.
„ Master Attendant, Madras.
„ Accountant General.
„ Examiner of Claims.

PROCEEDINGS of the Madras Government, Public Department, 6th July 1869.

No. 27.—Proceedings of Government, dated 6th July 1869, No. 918.

Ordered, that 20 copies of the rules made under Sections 5, 11, and 21 of Act XIV. of 1868 (as amended by the Order of Government, dated the 22nd October 1868, No. 1333) be furnished, under the signature of the Chief Secretary to Government, to the Health Officer appointed under that Act, in view to their being produced in any court of justice, whenever required, as evidence of such rules.

2. Ordered, also, that the following certificate be published in the *Fort Saint George Gazette*: —

"*The Indian Contagious Diseases Act*, 1868."

In pursuance of the above-mentioned Act it is hereby certified that the hospital for females in Popham's Broadway (Black Town), and the Lock Hospital at Vepery, have been provided by the Government as hospitals for the purposes of the said Act, from and after the 15th day of October 1868.

Dated this 6th day of July 1869.

To the Inspector General of the Indian Medical Department.
„ Health Officer, with the Rules.

PROCEEDINGS of the Madras Government, Public Department, 10th October 1876. No. 1125-A.

MEDICAL.

No. 25.—Read the following Letter from the Surgeon General, Indian Medical Department, to the Chief Secretary to Government; dated Fort St. George, 19th July 1876, No. 423:—

I have the honour to submit to his Grace the Governor in Council, as amended by the Committee re-assembled under the Orders, No. 194, dated 25th February 1876, the draft of rules framed by the Governor of Fort St. George in Council, under Act XIV. of 1868 (The Indian Contagious Diseases Act), for the town of Madras.

No. 1185.

Referred through the Government Solicitor for the opinion of the Advocate General as to the legality of the rules under the Contagious Diseases Act.

(Signed) *W. Hudleston,*
Ootacamund, 2 August 1876. Chief Secretary.

No. 26.—Read also the following Letter from the Government Solicitor, Madras, to the Chief Secretary to Government; dated Madras, 7th September 1876, No. 442:—

I have the honour to acknowledge receipt of your official Memorandum, dated 2nd August 1876, No. 1185, endorsed upon the letter from the Surgeon General, Indian Medical Department, to your address, dated 19th July 1876, No. 423.

2. I have submitted the rules proposed to be passed under Act XIV. of 1868, for the consideration of the Advocate General, and I have now the honour to forward herewith a copy of the rules as submitted to the Advocate General, with his alterations therein and remarks thereon in red ink, and for convenience a fair copy of the rules as altered by the Advocate General, but not showing the alterations.

3. I also return the copy of rules forwarded to you by the Surgeon General. In the first instance I laid that copy before the Advocate General, but finding that his alterations therein were somewhat numerous I had another copy made for him in which to make such alterations as he might think fit.

No. 27.—Read also the following Letter from the Government Solicitor, Madras, to the Chief Secretary to Government; dated Madras, 29th September 1876, No. 484:—

I have the honour to acknowledge receipt of your official Memorandum, Judicial Department, dated 25th September 1876, No. 1478.

2. I submitted the Memorandum to the Advocate General, and his endorsement thereon is as follows:—

"I have replied to this by a marginal note to Rule XVI."
29 September 1876. *H. S. C.*

3. The marginal note put by the Advocate General to Rule XVI. of the proposed rules for the working of the Indian Contagious Diseases Act is as follows:—

"If the present practice is for the Health Officer or his medical subordinates to conduct the examination, that practice will, I presume, be continued, unless the Government sees fit to direct a change."

"*H. S. C.*"

4. The

4. The Advocate General has also filled up the blank in Rule XVI. by inserting the words "by the Health Officer or one of his subordinates authorised by him in the behalf."

No. 28.—ORDER thereon, 10th October 1876, No. 1125-A.

Ordered, that the annexed rules for working the Indian Contagious Diseases Act XIV. of 1868, as revised and approved by the Advocate General, be published in the *Fort St. George Gazette*.

2. The rules will be translated into the vernaculars by the translators to Government, and the translations will be published in the Gazette for general information.

3. The Health Officer will apply for such number of the translations as he considers necessary for distribution.

RULES framed by the Governor of Fort St. George in Council, under Act XIV. of 1868 (The Indian Contagious Diseases Act), for the Town of Madras.

Rules under Section 5.

I. The Health Officer, on receiving information that a particular woman is a common prostitute, shall cause inquiry to be made as to the truth of the information, and, on being satisfied that the woman is practising as a common prostitute, he shall cause to be served on her, or on some person for her, at her usual place of abode, a notice in the form contained in the Schedule A. to these rules, requiring her attendance at his office for the purpose of registration, and informing her of the penalty imposed by Section 4 on common prostitutes who omit to be registered.

II. After the woman has appeared before the Health Officer and been registered by him, he shall, within 24 hours, send her (unless she be found affected with venereal disease, in which case her name only will be sent) to the Commissioner of Police or his deputy, in charge of a gumastah of the Health Department of the district in which she resides; and the Commissioner of Police or his deputy shall, when the woman appears before him, ascertain the fact whether or not she has been voluntarily registered as a common prostitute before the Health Officer, and, in the event of her admitting voluntary registration, shall make an entry of the fact in the local registry then produced to him by the gumastah of the Health Officer who accompanies the woman, and the Commissioner of Police or his deputy shall also sign his name to such entry.

III. If, after registration, the woman shall be found to be affected with any venereal disease, she shall be forthwith directed to proceed to the Lock Hospital, and be retained therein until cured, when, on the production of a discharge certificate under the signature of the medical officer in charge of the Lock Hospital, she shall, within 24 hours of her discharge cured from the hospital, accompanied by a gumastah of her district, proceed to the Commissioner of Police, and conform as directed in Rule II., and a ticket or certificate as prescribed in Rule X. shall thereupon be delivered to the woman by the Health Officer.

IV. The following particulars respecting every such prostitute shall be obtained by the Health Officer, and entered in a register to be kept for that purpose, and designated "Register of Common Prostitutes in the Town of Madras:"—

Name of applicant.
Age.
Caste (if any).
Birthplace.
Occupation.
Married or single.
Has she been previously a common prostitute or not?
The name of the street in which is situated the brothel, or the house or lodging, in which the woman resides.

V. On the death of any registered prostitute being notified to the Health Officer, her name shall be removed from the register of common prostitutes, and such removal be reported to the Commissioner of Police by the Health Officer.

VI. All alterations in the register of common prostitutes shall be forthwith communicated by the Health Officer to the Commissioner of Police.

VII. A book shall be kept for the registration of brothel-keepers, in which the particulars shall be entered by the Health Officer, or by some person employed by him in that behalf.

VIII. Every brothel-keeper shall state, in his or her application for registration, the situation of the house, room, or place in which he or she proposes to establish a brothel, and the number of prostitutes to be kept in such brothel.

IX. Every brothel-keeper on applying for registration shall give in a list containing the names, ages, ticket number, and personal description of the prostitutes who are at the time, or who are intending immediately to become, inmates of his or her brothel.

X. Upon the particulars hereinbefore provided for the registration of prostitutes and brothel-keepers respectively having been entered in their respective registers, the Health Officer, or some person empowered by him in that behalf, shall deliver to the prostitute or brothel-keeper, as the case may be, a certificate of registration in the Forms B. and C., respectively, in the Schedule hereto.

XI. No registered prostitute or brothel-keeper shall lend or transfer his or her certificate to any other person whomsoever.

XII. Every registered prostitute or brothel-keeper shall be furnished with a printed copy of the rules prescribed for her or his guidance, in the vernacular language of such prostitute or brothel-keeper, and the Health Officer, his inspectors, and gumastahs shall be at liberty to call upon any registered prostitute or brothel-keeper at any time to produce and show the evidence of her or his registration.

Rule under Section 6.

XIII. Any registered prostitute or brothel-keeper who wishes to change his or her residence shall give not less than 24 hours' previous notice of such change to the Health Officer, and the Health Officer or some person empowered by him in that behalf shall thereupon make the necessary alterations in the registry and certificates of registration.

Rules under Section 9.

XIV. Every brothel-keeper shall be bound to furnish to the Health Officer the following statements at the following times:—

I. Statement of all prostitutes residing in his or her brothel on the first day of each year, or at any other time when called for by the Health Officer. Such statement shall contain the names, ages, register number, and personal descriptions of such prostitutes, and shall be furnished within the first week of January in each year, or within one week after it has been called for by the Health Officer.

II. Immediate notice of any prostitute commencing or ceasing to reside in the brothel, or of any death of a prostitute.

III. All cases of disease occurring amongst the inmates of the brothel.

IV. Monthly statement of the female servants employed in or about the brothel.

V. Any other information that the Health Officer may demand relating to the brothel and its occupants.

Rules under Section 11.

XV. For the purpose of inspection of common prostitutes, suitable premises at such places as may, from time to time, be notified by Government shall be provided.

XVI. Every prostitute, as soon as she is registered, shall be medically examined by the Health Officer, or one of his subordinates authorised by him in the behalf, and every registered prostitute residing within the local limits of Madras shall present herself for medical examination not less than once in every seven days in such place as may be entered in the certificate of registration. The date and result of such examination shall be recorded under the direction of the Health Officer, in the Form D. hereto annexed, which shall be designated the "Examination Return."

XVII. A similar entry shall be made in the prostitute's certificate of registration under the signature of the Health Officer or examiner.

XVIII. The examination shall be conducted in a room specially set apart for the purpose.

XIX. The examination shall be carried out with due regard to the feelings of the woman examined, consistent with thorough inspection, and the examination shall in every case be most searching.

XX. Each woman shall be examined separately.

XXI. An extract from the Examination Return, Form D., shall be forwarded to the medical officer in charge of the Lock Hospital, with every woman sent there for treatment.

XXII. Any prostitute who, on medical examination, shall be found to be affected with any venereal disease shall be directed by the officer conducting the examination to proceed to the Lock Hospital.

Rules under Section 21.

XXIII. It shall be lawful for any woman to apply to the Health Officer to have her name removed from the register of prostitutes.

XXIV. The removal of such woman's name from the register of prostitutes shall be made by the Health Officer on the applicant furnishing sufficient proof to him that she intends to cease practising as a common prostitute in the place where she is registered.

XXV. Prior to the removal of such prostitute's name from the register she shall be medically inspected, and no such order of removal shall be made unless the applicant is found to be free from all venereal disease. No prostitute's name shall be removed from the register of prostitutes until she has been under the observation of the Health Officer for at least one month from the date of her application, which date shall be communicated by the Health Officer to the Commissioner of Police, and unless there is reason to believe that she has ceased to be a common prostitute.

XXVI. During the time that such prostitute is under observation she shall, unless specially exempted by the Health Officer, present herself regularly for medical inspection as provided in the rules passed under Section 11 of Act XIV. of 1868.

XXVII. If the Health Officer neglects or refuses to remove the name of any woman from the register of prostitutes after she has complied with all the provisions contained in the above rules XXIII., XXIV., XXV., and XXVI., such woman may, within one month from the date of a notice in writing signed by the Health Officer to such prostitute refusing to remove her name from the register, apply to any magistrate of the town of Madras to cause her name to be removed from the register of prostitutes, and such magistrate, on being satisfied that all provisions of the said rules XXIII., XXIV., XXV., and XXVI. have been complied with, and that the applicant has ceased to practice as a common prostitute, shall pass an order to the Health Officer directing that the name of the applicant be removed from the register of common prostitutes: Provided always, that no such order shall be passed unless notice of the application for

the same, and that the same will be passed on a day to be named by the magistrate in such notice, unless cause be shown to the contrary, shall have been given by the magistrate to the Health Officer.

XXVIII. Upon any such order being passed, a copy thereof under the seal of the magistrate passing the same shall be served upon the Health Officer, who shall thereupon remove the name of the woman, on whose application such order shall have been passed, from the register of common prostitutes.

Rules under Section 26.

XXIX. It shall be the duty of all police officers under the orders of the Commissioner of Police to give immediate information to the Health Officer of any offence committed contrary to the provisions of Act XIV. of 1868, or any of the rules made under the powers in that behalf contained in such Act, and to render every lawful assistance when called upon so to do by the Health Officer or the executive subordinates of the establishment.

SCHEDULE A.

Form of Notice.

Having received information that you are carrying on the business of a common prostitute, I hereby request you to attend at my office at on the day of for the purpose of registration; and I further hereby give you notice that, in the event of your not complying with this request, you will render yourself liable to be prosecuted; that it will be my duty to prosecute; and that I shall prosecute you before a magistrate of the town of Madras under "The Indian Contagious Diseases Act, 1868," and the rules framed by the Government of Fort St. George in conformity therewith; and that, on your conviction of carrying on the business of a common prostitute without being registered, you will be liable to be imprisoned for a term not exceeding one month, or to be fined in an amount not exceeding 100 rupees, or to both.

(Signature of the Health Officer.)

SCHEDULE B.

Register Tickets.

No.
Name
Caste
Brothel { No. / Street No.
Inspection Office.
Height Feet
Age
Complexion
Special Marks

Signature of Registrar.

Date.		Healthy.	Transferred to Lock Hospital.	Discharged from Hospital.	Signature.
Month.	Day.				

SCHEDULE C.

No. in Register.	Name of Brothel-keeper.	Locality of Brothel.		Number of Prostitutes authorized.	Names of Prostitutes.	Age.	No. of Ticket.	Personal Description.
		Street.	Number.					

SCHEDULE D.

No. of Sheet Madras, 187 .

Examination Return under Section 11, Act XIV. of 1868.

Register Sheet of

No. in General Register.

No. of Examination.	Date.	Disease Detected.	Healthy.	Dismissed from Lock Hospital.	Signature of Examiner.

I certify on honour that the examinations above recorded were made in the manner prescribed in the Rules framed for my guidance.

Health Officer.

No. of Sheet Madras, 187 .

Examination Return under Section 11, Act XIV. of 1868.

Register Sheet of

No. in General Register.

No. of Examination.	Date.	Disease Detected.	Healthy.	Dismissed from Lock Hospital.	Signature of Examiner.

I certify on honour that the examinations above recorded were made in the manner prescribed in the Rules framed for my guidance.

Health Officer.

(By Order of his Grace the Governor in Council.)

Chief Secretary.

To the Surgeon General, Indian Medical Department.
" Government Solicitor.
" Health Officer.
" Tamil Translator to Government.
" Telugu ditto.
" Hindustani ditto.

NOTIFICATION, dated Bombay Castle, the 6th April 1870.

His Excellency the Governor of Bombay in Council, with the sanction of the Governor General of India in Council, is pleased, under Section 30, Act XIV. of 1868, to notify that the Indian Contagious Diseases Act of 1868 shall, from and after the 1st May 1870, apply to the City of Bombay.

The limits of the City of Bombay shall, for the purposes of this Act, be the municipal limits of the City of Bombay under Act II. of 1865.

By Order, &c.
E. W. Ravenscroft,
Secretary to the Government of Bombay.

NOTIFICATION, No. 1770, dated Bombay Castle, the 23rd June 1880.

His Excellency the Governor in Council desires hereby to make it generally known that from the 1st of September next, the date on which the new rules under the Contagious Diseases Act, published in Notification No. 1769 of this day's date, will come into force, the provisions of the said Act will be vigilantly enforced in the City of Bombay within the limits to which it was applied by Government Notification of 6th April 1870 (*Bombay Government Gazette* for 1870, page 320).

By Order of His Excellency the Right Honourable the Governor in Council.

J. Nugent,
Offg. Secretary to the Government of Bombay.

GENERAL DEPARTMENT.—Bombay Castle, the 23rd June 1880.

No. 1769.—In exercise of the powers conferred by the Indian Contagious Diseases Act, 1868, the Governor in Council is pleased to make the following Rules for the administration of the said Act in the City of Bombay, and to direct that they shall come into force from the 1st September next in supersession of the rules published in the *Bombay Government Gazette* of 1870, page 500:—

I.—*Registration of Prostitutes and Brothel-keepers* (*Section* 5).

Registration to be conducted by the Police.

1. The registration of prostitutes and brothel-keepers shall be conducted under the orders of the Commissioner of Police by Police Inspectors, aided by such special staff as Government shall from time to time sanction.

Registration offices and districts to be fixed by Commissioner of Police.

2. The Commissioner of Police shall appoint police stations in convenient parts of the city as offices at which such registration shall be conducted, and assign to each such office a district.

A board shall be affixed outside each such office in a conspicuous position, having on it, in English, Maráthi, and Gujaráthi, the words "Office for Registration under the Contagious Diseases Act for the district of ."

All common prostitutes and brothel-keepers must be registered at the office of the district in which they carry on their business.

3. On and after the date on which these rules come into force every woman who proposes to carry on the business of a common prostitute, and every person who proposes to carry on the business of a brothel-keeper must be registered at the office so appointed for the district in which such woman or person proposes to carry on such business.

Every female brothel-keeper who herself carries on the business of a common prostitute must be registered as such, in addition to being registered as a brothel-keeper.

Procedure in case of a common prostitute.

4. Every woman who proposes to carry on the business of a common prostitute shall present herself in person at the proper registration office, and furnish the information required by para. 3 of Section 5 of the Act, viz.:—

(1.) Her name.

(2.) Her caste (if any), and

(3.) Her residence: and also the following further particulars, viz.:

(4.) Her age.

(5.) Her birth-place.

(6.) Whether she is married, unmarried, or a widow.

(7.) If the house, room, or place in which she proposes to reside is a brothel, the name of the keeper of such brothel, and the number of his or her registration ticket.

5. The

District register of common prostitutes.

5. The Police Inspector shall then enter the above particulars in a register kept by him, which shall be called "Register of women carrying on the business of common prostitutes in the City of Bombay (District)." He shall also enter in the same register the following particulars, which he shall be careful to obtain and record with complete accuracy, viz. :—

(1.) The applicant's height in feet and inches.

(2.) Her complexion and general appearance.

(3.) Any particular marks by which she may be identified.

Procedure in case of brothel-keepers.

6. Every person who proposes to carry on the business of a brothel-keeper shall appear in person at the proper registration office, and furnish the information required by para. 4 of Section 5 of the Act, viz. :—

(1.) The applicant's name and residence, and

(2.) The situation of the house, room or place in which the applicant proposes to carry on such business, and also

(3.) A list containing the names and ages of the prostitutes who are, or who are intending immediately to become inmates of such brothel, and a personal description of each, and the number of each such prostitute's registration ticket.

District register of brothel-keepers.

7. The Police Inspector shall then enter the above particulars in a register kept by him, which shall be called "Register of persons carrying on the business of brothel-keepers in the City of Bombay (District)."

Registration-tickets to be furnished to persons registered as evidence of their registration.

8. As evidence of her or his registration every woman or person registered as aforesaid shall be furnished with a registration ticket under the signature of the Commissioner, or Deputy Commissioner of Police, in the form of Appendix A. or B., as the case may be.

Registration tickets to be prepared by Police Inspectors and forwarded for signature to the office of the Police Commissioner.

9. As soon as he has entered the particulars, as hereinbefore provided, for the registration of any prostitute or brothel-keeper in the appropriate register, the Police Inspector shall fill up the registration ticket as far as he is able, and forward it for signature to the office of the Commissioner of Police.

General Registers to be kept by Police Commissioner.

10. The Commissioner of Police shall keep in his office :—

(1.) A General Register of women carrying on the business of common prostitutes, and

(2.) A General Register of persons carrying on the business of brothel-keepers,

for the whole city. Each of these registers shall contain the same particulars as are contained in the registration tickets sent to the Commissioner's office for signature.

Registration tickets how to be completed and delivered.

The serial number assigned to any woman or person in either of the above registers shall be entered in the registration ticket, which shall then be signed by the Commissioner or Deputy Commissioner, and returned to the Inspector, who, after entering the serial registration number in his register, will deliver the ticket to the woman or person to whom it belongs, at the same time filling in the date of such delivery on the ticket. Such woman or person shall then be deemed to have been duly registered under the Act.

Examination Register sheets to be prepared and sent to the examining officer.

11. As soon as any prostitute has been duly registered her attention shall be called by the Police Inspector to the requirements of Section 11 of the Act, and of the rules framed thereunder, and the Police Inspector shall at once forward to the officer appointed to make examinations under the said section in his district, a sheet in the form of Appendix C., with the heading filled in by him to be filed in the said Officer's Examination Register.

II.—*Notices of change of Residence, &c.* (*Section* 6).

Notices of change of residence, &c., how to be given.

12. Whenever any woman who has been registered as a prostitute changes her residence, and whenever any registered brothel-keeper changes his or her residence, or acquires or enters into the occupation of any house, room or place for the purpose of carrying on the business of a brothel-keeper therein, other than the house, room or place of which the situation has been registered as aforesaid, notice of such change shall be given by the said woman or brothel-keeper either in person to the Commissioner, or Deputy Commissioner of Police, or by means of a written application left at the Commissioner's office.

Registration ticket to be produced for correction by person giving notice.

13. The person who gives any such notice shall simultaneously submit his or her registration ticket for correction, and shall state the name and number of the street to which it is intended to remove.

If the prostitute who gives any such notice is removing to a brothel, she shall also state the name of the keeper of such brothel, and the number of his or her registration ticket.

Procedure on receipt of notice.

14. On receipt of notice and information as aforesaid the Commissioner or Deputy Commissioner of Police shall cause the necessary alterations to be made in the registration ticket and general register.

He shall then return the ticket to the prostitute or brothel-keeper, and shall order the Inspector of the district in which such prostitute or brothel-keeper was formerly registered, and the Inspector of the new district, if any, into which such prostitute or brothel-keeper is removing, to make the necessary corrections or entry in their district registers.

The said Inspectors, on receipt of the order of the Commissioner or Deputy Commissioner, shall communicate to the officers appointed to make examinations under Section 11 in their districts respectively such particulars as may be necessary for correcting their examination registers, and, if necessary, forward to one of them a new sheet under Rule 10.

III.—*Removal from Register* (*Sections* 21 *and* 26).

Applications by prostitutes desiring removal of their names from the register to be made to the Commissioner of Police.

15. Any woman registered as aforesaid and desirous of ceasing to carry on the business of a common prostitute in Bombay, and of having her name removed from the register may apply in person to the Commissioner of Police.

Points to be established before any such application is allowed.

16. The Commissioner shall defer making any order on such application until he shall be satisfied:

(1.) By proof produced by the applicant before him and by such other inquiry, if any, as he thinks fit to make, that she has really ceased, or intends forthwith to cease, carrying on the business of a common prostitute in Bombay; and

(2.) By examination conducted under the rules hereinafter prescribed, that the applicant is free from all contagious disease.

Name when to be removed by the Commissioner.

17. On being so satisfied, the Commissioner shall cause the applicant's name to be removed from the general and district registers and take back her registration ticket.

Refusal of application how to be made known.

18. If the Commissioner sees cause to refuse the application, he shall communicate such decision, with the reasons therefore, in writing under his signature to the applicant.

Appeal to be against order of refusal to a Presidency Magistrate.

19. At any time within one month from the date of receiving such decision, the applicant may apply to any Presidency magistrate to cause her name to be removed from the register, and such magistrate on being satisfied that the applicant has fully complied with Rules 15, 16, and 20, and that she is entitled to have her name removed from the register, may issue an order to the Commissioner to remove her name therefrom.

On

On receipt of such order the Commissioner shall cause the applicant's name to be removed from the general and district registers, and take back her registration ticket: Provided always that no such order shall be passed unless notice shall first of all have been given by the magistrate to the Commissioner, informing him of the application for the same, and that, unless cause be shown to the contrary, the same will be passed on a day to be named in such notice.

Magistrate's order for removal of name to be obeyed by Commissioner.

20. Until such time as the applicant's name is removed from the register, she shall, unless the Commissioner thinks proper to exempt her, continue to present herself regularly for examination in accordance with the rules hereinafter prescribed.

Applicant must continue to present herself for examination until her name is removed from register.

21. Any brothel-keeper wishing to close a registered brothel shall signify his or her intention in writing to the Commissioner of Police, and return his or her registration ticket. The Commissioner shall then cause the name of such brothel-keeper to be removed from the general and district registers.

Applications by brothel-keeper for removal of name from register, how to be made and disposed of.

22. If any brothel-keeper dies, or leaves Bombay, the person, if any, who proposes to carry on the business of brothel-keeper in such deceased or absent person's place must have himself or herself forthwith registered in accordance with the foregoing rules, and the necessary alterations shall thereupon be made in the general and district registers, and in the registration ticket of such deceased or absent person.

A person succeeding to the business of a brothel-keeper who dies or leaves Bombay must be registered.

23. If a registered brothel-keeper dies or leaves Bombay, and no person carries on the business in such brothel-keeper's place, or if a registered prostitute dies, or leaves Bombay without applying for the removal of her name from the register, the Commissioner shall cause the name of such brothel-keeper or prostitute to be removed from the general and district registers, and shall, if possible, obtain back such brothel-keeper's or prostitute's registration ticket.

Names of registered prostitutes or brothel-keepers dying or leaving Bombay to be removed from the registers.

24. All removals of the names of prostitutes from the register under the foregoing rules shall be communicated from time to time by the police inspectors to the officers appointed under Section 10, to make examinations in their districts respectively, and such officers shall thereupon remove the names from their examination registers also.

Removals of names of prostitutes from registers to be communicated to examining officers.

IV.—*Production of Registration Tickets* (*Section* 7).

25. All police officers and constables of the Bombay police are authorised to require any woman or brothel-keeper registered under these rules to produce and show her or his registration ticket.

What officers may require production of registration tickets.

26. A printed copy of these Rules in English, Maráthi and Gujaráthi, and of Sections 4, 6, 7, 8, 11 (para. 3), 16, 17, 18, and 20 of the Act shall be given, without charge, to every registered prostitute and brothel-keeper at the time of the delivery of a registration ticket to such prostitute and brothel-keeper.

Copies of rules, &c., to be furnished to prostitutes and brothel-keepers without charge.

If at any time any alteration is made in the class of officers authorised under the last preceding rule to require the production of registration tickets, a printed notice of such alteration, in English, Maráthi and Gujaráthi, shall be left, under the orders of the Commissioner of Police, at the residence of every prostitute and brothel-keeper whose name is at such time borne on the register.

Future changes in Rule 24 how to be made known to prostitutes and brothel-keepers.

V.—*Information to be furnished by Brothel-keepers* (*Section* 9).

27. Every officer of the Bombay police above the rank of constable may call upon any brothel-keeper, whether registered as such under these rules or not, to furnish full information on any subject relating to his or her business; and for the purpose of giving such information every such brothel-keeper must

Brothel-keepers to attend when required to give information to police officers.

attend at any police office, and at any time or any day between sunrise and sunset that he or she may be directed by the officer requiring the information.

Periodical returns and other information to be furnished by brothel-keepers.

28. Every brothel-keeper, whether registered as such under these rules or not, shall forward to the office in which he or she is registered:—

(1.) A monthly statement, on or before the 3rd of every month, in the form of Appendix D., showing the name and other particulars of each prostitute who has resided in, or frequented such brothel, and of every female servant employed thereat during the previous month, as also the date on which each prostitute presented herself for examination, and the result of each such examination;

(2.) Immediate notice of any prostitute commencing or ceasing to reside in or to frequent the brothel;

(3.) Immediate intimation of the death of any prostitute residing in or frequenting the brothel, and of any case of contagious disease occurring amongst the inmates thereof.

VI.—*Examination of Prostitutes* (*Section* 11).

Registered prostitutes must present themselves periodically for examination;

29. Every registered prostitute shall present herself at once after first receipt of her registration ticket, and thereafter at least once in every seven days for examination at such place and between such hours as shall be named for this purpose in the said ticket.

and if good grounds exist, may be sent by Commissioner or Deputy Commissioner of Police for examination.

If it shall at any time appear to the Commissioner or Deputy Commissioner of Police that there are good grounds for suspecting that any registered prostitute is affected with contagious disease, he may at once cause her to be taken to the appointed place to be examined, notwithstanding that she may have been examined within the period above prescribed.

Woman appearing for examination must bring her registration ticket and remain in attendance till dismissed.

30. Every registered woman so presenting herself or brought to the appointed place for examination shall produce her registration ticket, and shall remain in attendance at the said place until she shall receive permission from the officer in charge to depart.

Each examination to be made separately in an appropriate place.

31. The examination of each woman shall be made separately by an officer duly appointed for this duty in the presence of a female attendant in a room or shed specially set apart for the purpose.

Examination must be made thoroughly, but with due regard to delicacy.

32. The examination shall in every case be most thorough, the *speculum vaginæ* being used so as fully to expose the *os* and *cervix uteri* and every part of the vaginal canal, but shall be carried out with every regard to delicacy and to the feelings of the woman, consistent with such thorough inspection.

Examination register to be kept.

33. The date and result of each examination shall be entered by the officer making the same in the sheets forwarded to him for this purpose under Rule 11, which shall be made up into a register to be called "The Examination Register," and a similar entry shall be made under the said officer's signature on the registration ticket of the woman examined.

VII.—*Serving of Notices to go to certified Hospital* (*Section* 14).

Notice to be served by examining officer.

34. The officer who makes the examination shall, if he finds that the woman is affected with any contagious disease, serve her, before she leaves the place of examination, with a notice in the form of Appendix E., under his signature, requiring her to proceed to a certified hospital.

35. An

35. An extract from the examination register concerning the case of any woman on whom a notice is served under the last preceding rule shall at once be sent by the officer making the examination, along with such woman's registration ticket, to the medical officer in charge of the certified hospital to which he directs such woman to proceed, and a duplicate of the notice shall be sent to the Inspector of Police of the district in which such woman is registered.

Extract from examination register to be sent to officer in charge of hospital;

and duplicate of notice to the district Inspector of Police.

VIII.—*Detention in certified Hospital (Section 15).*

36. The medical officer in charge of a certified hospital is empowered to detain every woman who places herself, or is placed in such hospital for medical treatment, until such woman is lawfully discharged therefrom.

Woman under treatment to be detained in hospital by medical officer in charge.

IX.—*Segregation of Prostitutes (Section 20).*

37. The Commissioner of Police is empowered to cause a notice to be served on any registered prostitute under Section 20 requiring her not to reside in any street or place therein specified.

Segregation may be ordered by Commissioner of Police.

X.—*Prosecutions (Section 22).*

38. Prosecutions under the Act may be instituted at the instance of the Commissioner of Police, or of some officer specially deputed by him for this purpose.

Prosecutions may be instituted or authorised by Commissioner of Police.

XI.—*Miscellaneous (Section 26).*

39. It shall be the duty of the Inspector of Police of each district to exercise personally, and through his subordinates, vigilant supervision over all common prostitutes and brothel-keepers within his jurisdiction for the purpose of enforcing the strict observance of the provisions of the Act and of these rules, and of detecting infringements of the same.

Police to be responsible for enforcement of *provisions of the Act* and these rules.

Subject to the orders of the Commissioner of Police, periodical inspection shall be made by the police of all registered prostitutes and brothel-keepers' registration tickets; and all offences against the Act or against these rules shall be immediately reported to the said Commissioner.

40. The examination registers kept by the officers appointed to make examinations under Section 11 shall be open to the inspection of the Commissioner or Deputy Commissioner of Police, and of the police inspectors of the district to which they respectively belong, and of any officer specially deputed by the Commissioner or Deputy Commissioner to inspect them; and it shall be the duty of the officers appointed under the said section from time to time to inform the police inspectors of the districts for which they are respectively appointed if any registered prostitute fails to comply with the requirements of Section 11 and of the rules made thereunder.

Examination registers to be open to inspection by police;

and failures of prostitutes to attend for examination to be reported to the police.

APPENDIX A. (*see* RULE 8).

FORM of REGISTRATION TICKET for a COMMON PROSTITUTE.

Front.

This is to certify that the undermentioned woman, who carries on the business of a common Prostitute in the City of Bombay, has been duly registered under the provisions of the Indian Contagious Diseases Act, 1868 :—

Serial number in General Register.
Name
Caste.
Age.
Height feet inches.
Complexion and general appearance.
Special marks for identification.
Residence.
Dated the of 188 .

(Signed)
Commissioner, or Deputy Commissioner of Police.

Note.—The place appointed for the examination of the holder of this ticket is at between the hours of

Reverse.

RECORD OF EXAMINATIONS AND TREATMENT IN HOSPITAL.

Date.			On Examination found to be Healthy.	Ordered to Hospital.	Discharged from Hospital.	Signature.
Year.	Month.	Date.				

APPENDIX B. (*see* RULE 8).

FORM of REGISTRATION TICKET for a BROTHEL-KEEPER.

This is to certify that the undermentioned person, who carries on the business of a brothel-keeper in the City of Bombay, has been duly registered under the provisions of the Indian Contagious Diseases Act, 1868 :—

Serial number in the General Register.
Name.
Age.
Residence.
Situation of brothel.
Dated the of 188 .

(Signed)
Commissioner, or Deputy Commissioner of Police.

APPENDIX C. (*see* RULE 11).

FORM of SHEET of EXAMINATION REGISTER.

No. of sheet.

Examination Registers under Section 11, Act XIV. of 1868.

Register of Examinations of

Serial Number in General Register.	Date of Registration.	Caste.	Age.	Height.	Complexion and General Appearance.	Special Marks for Identification.

Number of Examination.	Date of Examination.			DISEASE DETECTED.					Healthy.	Dates of being Ordered to and Discharged from Hospital.	Signature of Examiner.
	Year.	Month.	Date.	Gonorrhœa.	Chancre.		Secondary or Tertiary Complications and Nature of.	Non-Venereal Affections as Leucorrhœa or simple Ulceration of *Os* or *Cervix Uteri*.			
					Hard or Infecting.	Soft or Non-Infecting.					

APPENDIX D. (*see* RULE 28).

FORM of Monthly Statement to be submitted by BROTHEL-KEEPERS.

Monthly Statement of the under-mentioned Brothel for the Monthof 188 .

Serial Number in General Register.	Name of Brothel Keeper.	Locality of Brothel.		Names of Prostitutes residing in or frequenting the Brothel.	Serial Number in General Register.	Medical Examinations.	
		Street.	Number.			Dates on which the Prostitutes presented themselves.	Results of each Examination.

Reverse.

FEMALE SERVANTS EMPLOYED DURING THE MONTH.

Names.	Age.	Residence.	Previous Occupation.	Whether they carry on the business of a Prostitute or not.

APPENDIX E.

FORM of NOTICE under SECTION 14 of the ACT.

To

residing at

You are hereby directed, under the provisions of Section 14 of the Indian Contagious Diseases Act, 1868, to proceed on or before o'clock m. of day the of 188 to the certified hospital situated at and there to place yourself for medical treatment.

You should produce this notice to the Medical Officer in charge of the said hospital.

(Signed)
Examining Officer appointed
under Section 10 of the said Act.

Dated this
day of 188 .

By order of His Excellency the Right Honourable the Governor in Council,

J. Nugent,
Acting Secretary to Government.

THE following Regulations are made by the Governor of Bombay in Council, in exercise of the power conferred by Section 13 of the Indian Contagious Diseases Act, 1868, for the inspection, management, and government of the certified hospital established in the City of Bombay under Section 12 of the said Act, as far as regards women authorised by the said Act to be detained therein for medical treatment, or being therein under medical treatment for a contagious disease:—

Immediate control vested in chief medical officer.

1. The immediate government and management of the hospital is vested in the chief medical officer in charge thereof, subject to the general control and orders of the Surgeon General and of Government.

Appointments; by whom to be made.

2. All appointments of medical subordinates to the hospital shall be made by the Surgeon General with the Government of Bombay. The chief medical officer in charge will appoint all the inferior *employés*, and report all such appointments and changes which may be made therein to the Surgeon General.

Registered prostitute when to be received into the hospital.

3. The chief medical officer in charge of the hospital shall receive therein any woman who places herself there, or is brought there for medical treatment in pursuance of a notice served upon her under Section 14 of the Contagious Diseases Act, and shall detain her there until she has completely recovered from the contagious disease with which she may be affected.

Other women; when to be received.

4. The said officer may also receive for treatment any woman who applies for admission, and is found to be suffering from a contagious disease within the meaning of the Contagious Diseases Act: Provided that every such case shall be reported to the Commissioner of Police, with a view to his making an inquiry into the life and habits of the woman so admitted.

Rules to be observed by inmates.

5. Every woman under medical treatment in the hospital shall—

(1.) Comply implicitly with the orders of the medical officer in charge, and of his subordinates acting under his authority, in respect of all matters relating to her diet, medical treatment, and clothing;

(2.) Demean herself with propriety, and not use filthy or improper language;

(3.) Keep herself clean and tidy in person, and perform such ablutions as she may be directed to perform by the hospital authorities;

(4.) Rise in the morning and retire to bed at night at such times as may be ordered by the chief medical officer in charge and by his subordinates acting under his authority;

(5.) Not quarrel, dispute, or create any sort of disturbance; and no registered prostitute under medical treatment in the hospital shall—

(6.) Leave the hospital premises, on any pretext whatever, without having first obtained the written sanction of the chief medical officer.

Registered prostitute leaving without permission to be reported to the Commissioner of Police.

6. In the event of any registered prostitute leaving the hospital without proper sanction her name and serial number in the general register, and the fact of her departure, shall be at once reported to the Commissioner of Police.

Discharge of registered prostitute; how to be recorded.

7. When the chief medical officer in charge shall consider that a registered prostitute has completely recovered from her disease he shall discharge her, and record the fact and the date of her discharge under his signature on her registration ticket, which he shall then return to her.

Procedure in case inmate contracts small-pox, &c.

8. In the event of any inmate of the hospital contracting small-pox, or any other serious infectious disease, she shall, though still suffering from contagious disease within the meaning of the Contagious Diseases Act, be at once removed to a special hospital, if there be any, for the disease which she has contracted, or to some other suitable place.

When she has recovered from the special disease she shall, if she is a registered prostitute, return to the certified hospital, where she shall be detained or discharged as her condition may require.

Inmate becoming dangerously ill may be removed to her own home.

9. Should any woman become dangerously ill while in hospital, the chief medical officer in charge may, at her own desire, or at that of her friends, permit her removal to her own home: Provided that if such woman is a registered prostitute, and she recovers from her dangerous illness, she shall, if so directed by the chief medical officer in charge, return to the hospital and remain therein until she obtains her lawful discharge therefrom.

All removals under this and the last preceding Regulation shall be reported to the Commissioner of Police.

Patients may be supplied with food by their friends, subject to certain restrictions.

10. It shall be within the discretion of the chief medical officer in charge of the hospital to permit the friends of patients to supply them with food at their own cost, under such restrictions as he may impose.

Times for visits of patients' friends to be fixed by medical officer in charge.

11. The chief medical officer in charge shall fix days and hours for patients to receive the visits of their friends, and, except during the times so fixed, no stranger shall be admitted without the express permission of the said officer, or unless under the authority of the next following Regulation.

Inspection.

12. The Surgeon General and the Commissioner and Deputy Commissioner of Police, the Municipal Commissioner and the Health Officer of the Municipality, shall be at liberty to visit and inspect the hospital from time to time.

Copies of these rules, &c. to be affixed on conspicuous places in the hospital.

13. A copy, in English, Maráthi, and Gujaráthi, of Nos. 5, 7, 8, 9, 10, and 11 of these Regulations, and of the days and hours from time to time fixed under No. 11 thereof, and of Section 16 of the Act, shall be affixed in a conspicuous part of each room of the hospital. A similar copy of the days and hours from time to time fixed under No. 11 of these Regulations shall also be affixed in a conspicuous place outside the hospital.

By order of his Excellency the Right Honourable the Governor in Council.

(Signed) *J. Nugent*,
Acting Secretary to Government.

Bombay Castle, 23 June 1880.

— IV. —

Copies of, or Extracts from, India Act III., of 1880, Madras Act I., of 1866, and Bombay Act III., of 1867 (Cantonment Acts).

Copy of Madras Act I., of 1866.*

Acts of the Governor of Fort St. George in Council.

Act No. I. of 1866, passed by the Governor of Fort St. George in Council.

[*Received the Assent of the Governor on the 17th January 1866, and of the Governor General on the 31st January* 1866.]

AN ACT to repeal Madras Act, No. IV., of 1865, and to make Provision for the Administration of Military Cantonments in the Presidency of *Fort Saint George*.

Preamble. Whereas in Madras Act IV. of 1865 (*An Act to make Provision for the Administration of Military Cantonments in the Presidency of Fort Saint George*) reference is made to Act XLII. of 1860, and it is enacted that the Courts of Small Causes, the establishment whereof is therein provided for, shall be deemed to be established under the provisions of the said Act XLII. of 1860, and whereas the said Act XLII. of 1860 had been repealed by Act XI. of 1865 (*An Act to consolidate and amend the Law relating to Courts of Small Causes beyond the local limits of the ordinary original Civil Jurisdiction of the High Courts of Judicature*) before the aforesaid Act IV. of 1865 had received the assent of the Viceroy and Governor General; and whereas it is expedient to repeal the said Act IV. of 1865, and to substitute an Act in lieu thereof, for regulating the administration of civil and criminal justice and the superintendence of police and conservancy, for protecting the public health within the limits of military cantonments in the Presidency of Fort Saint George, and for laying down local rules and regulations to be enforced within such limits; It is enacted as follows:—

Madras Act, No. IV., of 1865, repealed. 1. Madras Act, No. IV., of 1865, is hereby repealed.

Interpretation. 2. The following words and expressions in this Act shall have the meanings hereby assigned to them, unless there be something in the subject or context repugnant to such construction, that is to say:—

"Section." The word "Section" denotes a section of this Act.

Number. Words importing the singular number include the plural number, and words importing the plural number include the singular number.

Gender. Words importing the masculine gender include females.

Criminal jurisdiction of a cantonment magistrate. 3. When any person shall be invested by the Government, under the provisions of Section 23 of the Code of Criminal Procedure, with the powers of a magistrate within the limits of any military cantonment, such person shall be styled the Cantonment Magistrate, and within the limits of such cantonment shall, subject to the control of the magistrate of the district in which such cantonment is situate, exercise the powers of a magistrate as defined in the said Code, for the purpose of disposing of all cases arising within such cantonment which the magistrate of the district might dispose of, and for the commitment for trial, before the Court of Session of the district or place in which such cantonment is situated, of any person charged with any offence triable before the Court of Session, or for which the person charged shall appear to deserve a more severe sentence than a magistrate is competent, under the said Code of Criminal Procedure, to award.

Cantonment magistrate to be deemed a magistrate in charge of a division of a district. 4. The cantonment magistrate shall be considered a magistrate in charge of a division of a district within the meaning, and for the purposes of the Code of Criminal Procedure.

Assistant cantonment magistrate. 5. When any person shall be invested by the Government, under the provisions of Section 23 of the Code of Criminal Procedure, with the powers of a subordinate

subordinate magistrate of the first or second class within the limits of any military cantonment, such person shall be styled the Assistant Cantonment Magistrate, and shall be subject to the rules laid down for subordinate magistrates in the said Code.

Punishment for breaches of standing orders or of special duties.

6. All public followers attached to or serving with any part of the Army, and receiving public pay drawn by an officer in charge of any department appertaining to the Army, and all artificers and labourers belonging to the Army or military arsenals, or to the Commissariat or Medical Department, shall be liable to be tried by the cantonment magistrate or by the assistant cantonment magistrate, for all breaches of standing orders, or of their respective duties, and shall be punished with imprisonment of either description as defined by the Indian Penal Code not exceeding one month, or with fine not exceeding 100 rupees, or with lashes not exceeding 50 with a cat-of-nine tails, or shall be liable to any two of the above punishments.

Small cause court may be established in cantonments.

7. The Government may, within the limits of any military cantonment, establish a court of small causes for the trial of suits of the nature described in Section 6 of Act XI. of 1865 (*An Act to consolidate and amend the Law relating to Courts of Small Causes beyond the local limits of the ordinary original Civil Jurisdiction of the High Courts of Judicature*), and the cantonment magistrate, if there be a cantonment magistrate, shall be the judge of the court so established within his jurisdiction. The Government shall, from time to time, declare the pecuniary limit of the jurisdiction of every court established under this section, but such limit shall in no case exceed 500 rupees.

Act XI. of 1865 to apply to all such courts.

8. Every court of small causes established under this Act shall be deemed to be a court established under the said Act XI. of 1865, and all the provisions of the said Act shall be applicable to every such court, and to all suits instituted in any such court, except as is herein otherwise provided.

Act III. of 1859 and Act XI. of 1841 suspended in cantonments where cantonment magistrates are made small cause judges.

9. Whenever a court of small causes is established in any military cantonment under the provisions of Section 7, the jurisdiction exercised in such cantonment by any officer under Act III. of 1859 (*for conferring Civil Jurisdiction in certain cases upon Cantonment Joint Magistrates, and for constituting those Officers Registrars of Deeds*) shall cease and determine; and Act XI. of 1841 (*for consolidating and amending the Regulations concerning Military Courts of Requests for Native Officers and Soldiers in the service of the East India Company*) shall cease to have any effect within the limits of such cantonment: Provided that nothing in this Act contained shall be held to affect so much of the said Act XI. of 1841 as declares that, in places beyond the frontier of the territories of the East India Company, actions of debt and other personal actions may be brought before the military courts therein mentioned, against persons so amenable as therein mentioned, for any amount of demand: Provided also, that nothing in this Act contained shall be held to affect the jurisdiction of any court of requests convened under the 103rd section of the Statute 27 Vict. c. 3, or the corresponding section in any other statute for the time being in force, for punishing mutiny and desertion, and for the better payment of the Army and their quarters, or the powers of a commanding officer under any such statute to assemble such courts.

Assistant cantonment magistrate may be invested with powers of a small cause court judge up to 50 rupees.

10. The Government may invest any assistant cantonment magistrate with the powers of a judge of a court of small causes, to try suits instituted in any court which is established under Section 7: Provided that no assistant cantonment magistrate shall have jurisdiction to try suits for an amount exceeding 50 rupees.

Cantonment may be declared a sub-district under Registration Act.

11. Any military cantonment may be declared by the Government to be a sub-district for the purposes of Act XVI. of 1864 (*to provide for the Registration of Assurances*). The cantonment magistrate of any cantonment so declared shall be the deputy registrar thereof.

Act XXIV. of 1859 applicable to police employed in military cantonments.

12. The police force employed in any military cantonment shall be deemed to be part of the general police force within the meaning of Section 8, Act XXIV. of 1859 (*for the better Regulation of Police within the Territories subject to the Presidency of Fort Saint George*), and all the provisions of the said Act shall be applicable to such force. The administration of the police within the limits of

of any cantonment in which there shall be a cantonment magistrate shall be vested in the district superintendent, subject to the general control and drection of the commanding officer of such cantonment. Administration of police within cantonment.

13. The Government may extend Section 48 of the said Act XXIV. of 1859 to any military cantonment situate in the territories under such government. Extension of Section 48 of Act XXIV. of 1859 to military cantonments.

14. No soldier or other public follower serving with any part of the army, and receiving public pay drawn by an officer in charge of any department appertaining to the army other than a commissioned officer, shall be liable by any process whatever to be taken out of Her Majesty's Service by any writ, summons, warrant, order, judgment, execution, or any process whatsoever, issued by, or by the authority of, any court of law, or any other authority whatsoever, for any original debt not amounting to 300 rupees, or for the breach of any contract, covenant, agreement, or other engagement whatever by parol or in writing, and all writs, summonses, warrants, orders, judgments, execution, and other process on account of any of the matters for which it is herein declared that a soldier or other person as aforesaid is not liable to be taken out of Her Majesty's Service, shall be utterly illegal, and null and void, to all intents and purposes;—and any judge of any such court may examine into any complaint made by a soldier or by his superior officer, and by warrant under his hand discharge such soldier, without fee, he being shown to have been arrested contrary to the intent of this Act, and shall award reasonable costs to such complainant, who shall have, for the recovery thereof, the like remedy as would have been applicable to the recovery of any costs which might have been awarded against the complainant in any judgment or execution as aforesaid, or a writ of *Habeas Corpus ad subjiciendum* shall be awarded or issued, and the discharge of any such soldier out of custody shall be ordered thereupon: Provided that any plaintiff, upon notice of the cause of action first given in writing to any soldier, or left at his last quarters, may proceed in any action or suit to judgment, and have execution other than against the body or military necessaries or equipments of such soldier. Soldiers or public followers serving with the army not to be taken out of the service for debts less than 300 rupees, or for breach of agreement.

15. *1st.*—Whenever it may be necessary to execute, within the limits of a military cantonment, any process issuing from any civil or criminal court, against any person of the military class, or attached to, or serving with the army, the officer charged with the execution of such process of arrest shall carry it to the commanding or staff officer of the regiment or detachment, or to the officer in charge of the department of the army to which the person against whom the process is issued may belong, and such officer shall immediately endorse it with his signature, and use his utmost endeavours to cause the person therein named, if within the limits of the cantonment, to be served or delivered up, according to the exigency of the process, to the officer charged with the execution thereof, unless such process shall have been issued in contravention of the preceding section. Arrest in certain military cantonments how to be conducted.

2nd.—But nothing contained in the foregoing clause of this section shall be construed to prevent the direct service, in the usual way, of notices, summonses, subpœnas, or other processes on any person not military, or attached to, or serving with, the army, or to require any communication to the officer designated in the foregoing clause, or any endorsement by him on such notice or process not involving personal arrest. Not to apply to summonses, &c.

16. The commanding officer of a cantonment may send any process requiring service or execution by any means not immediately at his disposal to the chief police officer in the cantonment, for service or execution through the cantonment police, and it shall be the duty of the said chief police officer to serve or execute such process in the same manner as if it had been issued by the cantonment magistrate, and subject to the same rules. Service and execution through cantonment magistrate, of process issued by commanding officers.

17. The Government shall have power to make rules and regulations, not inconsistent with the provisions of this Act, or of any other law in force, to provide within the limits of any military cantonment for the matters hereinafter-mentioned, and, from time to time, to repeal, or alter such rules and regulations. The rules and regulations made under this section may be general for all military cantonments in the territories under the Government of Fort Saint George, or special for any one or more of such cantonments, according as the Government shall direct. Rules and regulations to provide for certain matters specified.

Rules to be confirmed by Governor General in Council.

18. No rule or regulation made or altered under the last preceding section shall have effect until the same shall have been confirmed by the Governor General of India in Council. A copy of every such rule and regulation when so confirmed, in English and in the vernacular language chiefly in use, shall be hung up in some conspicuous part of the office of the cantonment magistrate, or in such other place as the Government or the commanding officer may direct.

What rules may provide for.

19. The rules and regulations made under Section 17 may provide—

1*st.*—For regulating, in cases in which the land within the limits of the cantonment is the property of Government, and the occupation and use of which by private persons is only permissive, the conditions under which such occupation or use shall be allowed, and under which the Government may resume possession of such land, and under which compensation shall be given to persons occupying or using the land so resumed.

2*nd.*—For maintaining proper registers of immoveable property within the limits of the cantonment, and for providing for the registration of transfers of such property.

3*rd.*—For regulating the manner in which lands and houses within the limits of the cantonment shall be claimable for purchase or hire, when necessary, for the accommodation of military officers.

4*th.*—For regulating the management and expenditure of any funds made available by law, or by the Government, for the purpose of public improvements within the limits of the cantonment, or for carrying out any rules and regulations passed under this section, and the appointment of the necessary servants and establishments.

5*th.*—For the definition and prohibition of public nuisances.

6*th.*—For the maintenance generally of the cantonment in a proper sanitary condition; for the prevention and cure of disease; for the management and regulation of the public roads, of conservancy and drainage; for the regulation and inspection of public and private necessaries, urinals, cesspools, drains, and all places in which filth or rubbish is deposited; of slaughter-houses, public markets, burial and burning grounds, and of all offensive or dangerous trades and occupations.

7*th.*—For inspecting and controlling houses of ill-fame, and for preventing the spread of venereal disease.

8*th.*—For the supervision and regulation of public wells, tanks, springs, or other sources from which water is, or may be made available for public use.

9*th.*—For the execution and promotion of works of public utility and convenience.

10*th.*—For the registration of births, marriages, and deaths, and for making and recording observations and facts important for the public health and interests.

11*th.*—For the imposition of penalties on persons convicted of the breach of any rule or regulation made under Section 17, and for declaring what persons shall make the preliminary inquiry into, or take cognisance of, any breach of such rules and regulations, and the manner in which the investigation shall be conducted: Provided that no penalty so imposed shall exceed a fine of 50 rupees, or imprisonment for eight days, with or without labour.

Trial of breaches of such rules and regulations.

20. Breaches of any rule or regulation made under Section 17 shall be triable by the cantonment magistrate when there is such an officer; but the Government may invest any assistant cantonment magistrate, or any other person, with powers to try such breaches, and may authorise such person to exercise such powers independently of the cantonment magistrate. The magistrate of the district shall, in regard to such cases, have no control over the cantonment magistrate, or over any assistant cantonment magistrate, or any other person invested with such powers as herein aforesaid.

21. In

21. In every case in which an offender is sentenced to a fine for the breach of any rule or regulation made under Section 17, the amount may, in case of non-payment, be levied by distress and sale of any moveable property of the offender which may be found within the limits of the cantonment. Levy of fines imposed.

22. If no such property sufficient for the payment of the fine can be found, the offender shall be liable to be imprisoned without labour for any term not exceeding one month. Imprisonment in case of amount not being recoverable as above.

23. The imprisonment under Section 19 or Section 22 may be, if without labour, in the civil gaol, and if with labour, in the criminal gaol of the district. Imprisonment to be where.

24. Nothing in this Act, nor in any rule or regulation made under Section 17, shall prevent any person from being prosecuted under any other regulation or Act for any offence punishable under this Act, or from being liable under any other regulation or Act to any other or higher penalty or punishment than is provided for such offence by this Act. Provided that no person shall be punished twice for the same offence. Prosecutions, &c., under other regulations, &c., not barred by this Act.

25. It shall be lawful for the Government to declare, that any place in which any detachment of the army may be quartered shall be a military cantonment within the meaning of this Act, and the limits of such cantonment, including the military bazaars attached thereto, shall be marked out, and plans thereof shall be prepared, and whenever the Government shall declare any place to be a military cantonment, a notification of such declaration and of the limits of the cantonment shall be published in the *Fort Saint George* and *District Gazettes*. Provided always, that it shall be lawful for the Government from time to time to alter the limits of such cantonment, or to declare that it shall no longer be a military cantonment, and thereupon such alteration or declaration shall be notified as above directed. Limits of cantonments and bazaars how to be defined and established. Power to alter the limits.

26. Whenever it shall appear necessary for the protection of the health of the troops in any military cantonment, it shall be lawful for the Governor in Council to extend to any place outside the limits of such military cantonment, and in the vicinity of such cantonment, all or any of the rules and regulations made for such cantonment under Clause 7 of Section 19, and to make any additional rules and regulations under the said clause, and to define the limits around such cantonment within which such rules and regulations or additional rules and regulations shall be in force. Provided always, that such additional rules and regulations shall be subject to the confirmation of the Governor General of India in Council. For protection of health, rules and regulations made under Clause 7, Section 19, may be extended beyond limits of cantonments for certain purposes.

27. When such rules and regulations, with any additional rules or regulations made as above, shall be extended under the last preceding section to any place outside the limits of such cantonment, it shall be lawful for the Governor in Council to provide, in the manner described in Clause 11 of Section 19, for the imposition of penalties for the breach of such rules and regulations, and for prescribing the manner in which, and the persons by whom, breaches of such rules and regulations shall be inquired into or be cognisable. In such case, penalties may be imposed for breach of rules in extended limits.

28. All courts and magistrates shall take judicial notice of all rules and regulations made under Section 17 or Section 26. Courts, &c., to take judicial notice of rules passed under this Act.

29. Whenever, in any military cantonment, rules and regulations have been made under Section 17, so much of any regulation or Act as may be held to empower the commanding officer to make local regulations regarding matters other than military shall cease to have any effect in such cantonment, and all local regulations for any military cantonment, which may have been made before the promulgation of the rules and regulations for such cantonment, made under the said Section 17, shall cease to have any effect. Provided that nothing in this section shall be held to interfere with any military authority vested in the said commanding officer under the Articles of War. Effect of rules, &c., passed under Section 17 of this Act, in respect of regulations, &c., previously in force. Proviso.

30. If, within any military cantonment, or within any limits around such cantonment prescribed by the Government, any person not amenable to the Articles of War, or any sutler or camp follower, shall knowingly barter, sell, or supply, Unauthorised sale of liquor to military persons in cantonments, how punishable.

supply, or offer, or attempt to barter, sell, or supply any spirituous liquor, wine, or intoxicating drug, to or for the use of any European soldier, or to or for the use of any European or Eurasian being a camp follower or a soldier's wife, without a written license from the officer commanding, or from some person having sufficient authority from the officer commanding, to grant such license, the person so bartering, selling, or supplying, or offering, or attempting to barter, sell, or supply such spirituous liquor, wine, or intoxicating drug as aforesaid, shall be liable, on conviction, to a fine not exceeding 100 rupees, or, in the discretion of the magistrate, to imprisonment, with or without hard labour for any period not exceeding three months, or in lieu of such fine or imprisonment, to the punishment of whipping, as prescribed by Section 10 of Act VI. of 1864 (*to authorise the punishment of whipping in certain cases*) subject to all the provisions of that Act.

Consequence of second conviction of offence under last preceding Section.

31. If any person convicted of an offence under the last preceding section shall be again convicted of an offence under that section, any spirituous liquor, wine, or intoxicating drug, within such cantonment or limits which, at the time of the commission of such subsequent offence, shall belong to, or be in the possession of, such person, shall, without further proof, be deemed to be in the possession of such person for the purpose of being supplied to European soldiers contrary to the provisions of this Act, and shall be liable to be seized and confiscated.

Camp followers and others having possession of liquor beyond certain quantity without permit, how punishable.

32. If any camp follower or military pensioner, or the wife or the widow of any soldier, camp follower, or military pensioner shall, within such cantonment or limits, remove, convey, or have in his or her possession any quantity of spirituous liquor or wine exceeding one imperial quart, without a permit, to be signed by the officer in command, or such other officer as may be appointed by him to grant permits under this Act, every such person shall be liable, upon conviction, to a fine not exceeding 50 rupees, and for any subsequent offence, to a fine not exceeding 100 rupees, or to imprisonment, with or without hard labour, for any term not exceeding three calendar months: Provided that nothing in this section contained shall apply to any liquor brought into a cantonment for the private use of any commissioned officer.

Arrest of persons committing offence under Sections 31 or 32.

33. If any person subject to the provisions of this Act shall be found committing any offence contrary to Section 31 or Section 32 of this Act, any police officer may immediately, without warrant, arrest such person, and also seize any spirituous liquor, wine, or intoxicating drug, together with any vessel containing the same, and anything used for the purpose of removing, conveying, or concealing the same, which may be found in his possession, and shall thereupon, without delay, take such person, together with the things so seized, before the cantonment magistrate or other officer having jurisdiction to punish the offender.

Confiscation of liquor in respect of which conviction may be had, or which may be in possession of party convicted.

34. In case of a conviction for any offence under Section 31 or Section 32 of this Act, the cantonment magistrate or other officer may adjudge any liquor, wine, or intoxicating drug, in respect of which the party shall be convicted, and any other spirituous liquor, wine, or intoxicating drug which shall be found in his possession at the time of committing the offence, and any vessel containing the same, together with anything used for the purpose of conveying, removing, or concealing the same, or any part thereof, to be confiscated; and such magistrate may order the whole, or any part or parts of any fine imposed under this Act to be paid, as soon as the same shall be realised, to the person upon whose information such conviction shall take place, or to the officer who shall have apprehended the offender or seized any of the goods adjudged to be confiscated.

Things seized under Act may be detained until party charged with offence is acquitted.

35. Anything seized under Section 33, in respect of which any person shall be charged with an offence, may be ordered to be detained until the person in whose possession the same shall have been seized shall be convicted or acquitted of the offence charged. If the person shall be acquitted, anything so seized shall be restored; if he shall be convicted, such of the things only, if any, as shall not be adjudged by the cantonment magistrate or other officer

to

to be confiscated, shall be restored; the remainder shall be dealt with as confiscated. How to be disposed of.

36. Sections 30 to 35, inclusive, shall not apply to the sale or supply of any article for medicinal purposes, by recognised medical practitioners, chemists, or druggists. Saving of articles sold or supplied for medicinal purposes.

37. Nothing in this Act shall interfere with the jurisdiction of courts-martial, or of commanding officers of cantonments, or of regiments, corps, or detachments under Act XXIX. of 1861 (*to consolidate and amend the Articles of War for the Government of the Native officers and soldiers in Her Majesty's Indian Army*), or under Act V. of 1863 (*to amend Act XXIX. of* 1861), or with the provisions of any statute for punishing mutiny and desertion of officers and soldiers in the service of Her Majesty, and the cantonment magistrate shall exercise no jurisdiction in respect of such offences: Provided that, when a cantonment magistrate or other officer, not being the commanding officer, shall have been vested by the Government with power within the limits of any military cantonment to dispose of cases under any rule or regulation made under Section 17, it shall not be competent to the commanding officer to exercise the powers described in Article 84 of the said Act XXIX. of 1861, in respect of any case arising under such rule or regulation, when such rules and regulations have been passed for such cantonment under Section 17, and penalties shall have been laid down for their infringement. The said rules and regulations shall be held to be the rules and regulations mentioned in the said Article 84 of the said Act XXIX. of 1861, and so much of the said Article as declares the penalties which may be inflicted for breach of cantonment regulations shall cease from that time to have any effect in such cantonment. Act not to interfere with jurisdiction of courts-martial, &c. Proviso.

38. All acts done previously to the passing of this Act by cantonment joint magistrates, assistant cantonment joint magistrates, or judges of courts of small causes appointed under the provisions of the Madras Act IV. of 1865, or by persons acting under their authority, or otherwise, in any military cantonment, in pursuance of an order of Government, or which shall have been or shall be ratified by the Executive Government, are hereby confirmed and made valid; and all such officers and persons as aforesaid are hereby indemnified and discharged from liability in respect of such acts. Acts done by cantonment magistrates and others before passing of this Act legalised.

39. If a court of small causes shall be established under Section 7 in any military cantonment in the territories not subject to the general regulations, the Governor in Council shall declare what authority shall exercise the powers vested in the High Court by the provisions of the said Act XI. of 1865. What authority to exercise powers of High Court in respect of small cause courts established in a non-regulation place or places out of British India.

40. This Act shall come into operation only in such military cantonments, and from such dates, as the Governor in Council shall declare by notification in the *Fort Saint George* and *District Gazettes*. Commencement and scope of Act.

41. From the date at which this Act shall have come into operation in any military cantonment, and within the limits of such cantonment, the regulation and the Act named in the Schedule shall cease to have effect to the extent therein stated, except so far as they repeal the whole or any part of any other regulation, and except as to any act or offence which shall have been done or committed, or as to any fine or penalty which shall have been incurred, or as to any proceedings which shall have commenced before this Act shall have been in force. Repeal of the Act and regulation named in the Schedule.

SCHEDULE.

Number and Date of Act or Regulation.	Title.	Extent of Repeal.
Regulation VII. of 1832 -	A Regulation for rescinding Regulation VI. of 1821, and Regulation IV. of 1827, and in lieu thereof enacting rules for the better order and discipline of military bazaars, the more effective administration of Justice and of the Police at the Stations where such bazaars were established, and at certain other military stations, and in military forces in the field; the extension of the powers of courts-martial; and the more effectual prevention of undue use of spirituous and fermented liquors and intoxicating drugs by the European troops under this Presidency.	The whole Regulation.
Act XVIII. of 1853 - -	An Act for regulating the sale of spirituous liquors, &c. in cantonments.	The whole Act, so far as it relates to the Madras Presidency.

NOTE.—India Act III. of 1880 (*Cantonment Act*); *Bombay Act III. of* 1867 (*Cantonment Act*).—*The sections of these Acts dealing with the prevention of contagious diseases, are, in substance, identical with the corresponding sections of Madras Act I. of* 1866.

— V. —

COPY of RULES in force under Section 19, Clause 7, of MADRAS ACT I. of 1866.

EXTRACT from RULES and REGULATIONS for MILITARY CANTONMENTS in MADRAS PRESIDENCY, under Clauses 4 to 11 of Section XIX. of ACT I. of 1866.

CHAPTER V.

Provisions for the Inspection and Controlling of Houses of Ill-fame, and for Preventing the Spread of Venereal Disease.

1. IT shall be the duty of the cantonment committee to supervise the execution of the rules prescribed under Clause 7, Section 19, of Act I. of 1866. It shall be competent to the committee to form a sub-committee for this purpose, and to entrust to such sub-committee all or any of the duties imposed on the committee by these rules, provided that the magistrate of the district shall in every case be a member of such committee or sub-committee.

1*a*. The Committee or Sub-Committee shall meet for the transaction of business at least once in every month, or as often as a meeting may be called by the officer commanding the cantonment, regular minutes of the proceedings of each meeting being kept as a public record.

2. Subject

2. Subject to the general control of the officer commanding the cantonment and of the cantonment committee, the district superintendent of police, or, in his absence, his assistant, shall be charged with the actual execution of the rules made under Clause 7, Section 19, of the said Act, but it shall be competent to Government to empower any other officer to exercise the necessary authority for the execution of any or all of the said rules.

3. The public prostitutes in every military cantonment to which these rules have been declared by Government to be applicable shall be divided into two classes, viz., 1st, public prostitutes frequented by Europeans; 2nd, public prostitutes not so frequented.

4. Unless it shall be otherwise ordered by Government, these rules shall be held to be applicable to public prostitutes of the first only of the two classes mentioned in the last preceding rule, but it shall be competent to Government to declare any or all of these rules to be applicable to both of the said classes.

5. No woman known to be a public prostitute shall reside or practice her trade within the limits of the cantonment, unless she shall first have her name registered in the manner provided by these rules.

6. No woman, not being a registered prostitute, shall practice public prostitution within the limits of the cantonment.

7. No public prostitute shall reside in any place within the cantonment in which the cantonment committee shall declare the residence of such prostitute to be prohibited.

8. Every public prostitute who wishes to be registered shall apply in person for that purpose to the officer charged with the preparation of the register.

8a. Any woman reported under Rule 29, and convicted of practising prostitution without being registered, shall, upon conviction, be entered in the register and become liable to all the regulations prescribed for the observance of registered prostitutes; *vide* G. O. No. 859, dated 10th March 1871.

9. A register of public prostitutes shall be prepared in the form prescribed in Schedule A. of these rules, or in such other form as Government may from time to time prescribe, and shall be kept in the office of the cantonment magistrate or other officer charged with the execution of these rules. The register shall from time to time be revised, so that it may at all times show correctly all public prostitutes residing in the cantonment.

10. A copy of the said register, and of all entries and alterations which may from time to time be made therein, shall be furnished forthwith to the officer in charge of the Lock Hospital, who shall at all times keep in his office a register corresponding in all respects with the register prescribed in the last preceding rule.

11. When any public prostitute applies to be registered under these rules, the abstract of regulations prescribed for her observance, according to the form given in Schedule C of these rules, or in such other form as the Local Government may from time to time prescribe, shall be read and explained to her, and if she shall signify her assent thereto she shall be registered.

12. Any registered prostitute may, at any time, apply to have her name removed from the register, on the ground that she intends to cease to be a prostitute, and if the cantonment magistrate, or other officer as aforesaid, shall be satisfied that she has truly stated such intention her name shall be removed from the register.

13. Every registered prostitute shall pay monthly to the Lock Hospital Fund such sum, not exceeding one rupee, as may be determined by the cantonment committee. In case of non-payment the amount may be levied by distress and sale of any moveable property of such prostitute which may be found within the limits of the cantonment; provided that no such sum shall be payable by any such prostitute while she may be under treatment in the Lock Hospital.

14. Every registered prostitute shall be furnished with a printed ticket, to be renewed annually, in the form prescribed in Schedule B. of these rules, or in such other form as the Local Government may from time to time prescribe. She shall also be furnished with a printed copy in English, and in her vernacular language, of the abstract of regulations prescribed for her observance, and referred to in Rule 11.

15. No registered prostitute shall transfer or lend her ticket to any other person on any account, or for any purpose whatsoever.

16. Every registered prostitute shall present herself, with her ticket, for medical examination at the Lock Hospital or other place appointed for the purpose, at such times, not less than once in every fortnight, as may be appointed by the officer in charge of the Lock Hospital, unless she shall have been specially exempted by such officer, or by some person duly authorised by him, or by the sub-committee, from so presenting herself.

17. A register of all such medical examinations shall be kept by the officer in charge of the Lock Hospital, in the form prescribed in Schedule D. of these rules, and such examinations shall also be recorded in the ticket of each registered prostitute.

18. Any registered prostitute who, on medical examination, shall be found to be affected with any venereal disease shall be detained in the Lock Hospital until discharged as cured, and no such prostitute shall leave the precincts of such hospital except with the permission of the officer in charge.

19. Any woman, not being a registered prostitute, who may present herself for treatment on account of any venereal disease, may, with the permission of the officer in charge of the Lock Hospital, be received for treatment in such hospital, and such woman shall then be subject to the conditions contained in the last preceding rule.

20. No sum on account of subsistence or treatment shall be taken from any registered prostitute while under treatment in the Lock Hospital, and such amount of subsistence allowance shall be given to every such patient from the Lock Hospital Fund as may be determined by the cantonment committee.

21. It shall be competent for the officer charged with the execution of these rules to give special authority to any police officer, or other person, to inspect any house inhabited by any registered prostitute within the limits of the cantonment, and every such prostitute shall, when required to do so, exhibit her ticket to such authorised police officer, or other person.

22. It shall be competent to the cantonment committee to make special rules for the maintenance in a state of cleanliness of all houses occupied by registered prostitutes within the limits of the cantonment, and for the provision therein of a sufficient supply of water and of proper means of ablution. When such rules have received the sanction of Government they shall be binding upon all such registered prostitutes, and breaches thereof shall be punishable in the manner provided by Rule 32.

23. When any registered prostitute wishes to change her residence in the cantonment she shall signify her intention to the cantonment magistrate, or other officer as aforesaid, and, subject to the conditions contained in Rule 7, such change of residence shall be entered in the register, and in the ticket of such registered prostitute.

24. Whenever any registered prostitute wishes to leave the cantonment in which she has been registered permanently or for a time, she shall signify her intention to the cantonment magistrate, or other officer as aforesaid, and a note thereof shall be made in the register, and in the ticket of such registered prostitute. If she intends to leave the cantonment permanently she shall, before her departure, deliver up her ticket to the cantonment magistrate or other officer.

25. On

25. On the permanent departure from the cantonment, or the death of any registered prostitute, being duly certified her name shall be removed from the register.

26. No registry of any prostitute, nor the possession of a ticket by such prostitute, in any cantonment, shall in any way authorise such prostitute to reside or practise her trade in any other cantonment, in which she has not been duly registered.

27. No registered prostitute, or other woman, shall publicly solicit any person within the limits of the cantonment.

28. It shall be lawful for any police officer, specially authorised for the purpose by the district superintendent, to take into custody without a warrant any woman who, within his view, commits a breach of the last preceding rule.

29. Whenever any police officer shall have reason to believe that any woman, not being a registered prostitute, practises public prostitution within the limits of the cantonment in contravention of Rule 6, it shall be the duty of such police officer to report the name of such woman and the circumstances of the case to the district superintendent of police, who, if he be satisfied that there are sufficient grounds for so doing, shall report the same for the orders of the cantonment magistrate.

30. No notice of any report made under the last preceding section, or of any report received from any other person to a similar effect, shall be entered in the police diary, prescribed by Section 154 of the Code of Criminal Procedure, or in any other permanent record, and no such report shall in any manner be made public, unless the cantonment magistrate shall consider that sufficient grounds have been shown for taking further proceedings against such woman for a breach of the said Rule 6. If the district superintendent or the cantonment magistrate, as the case may be, shall consider that there are no sufficient grounds for further proceedings, such reports and all records thereof shall forthwith be destroyed.

31. It will be the special duty of the Inspector General of Police, under Section 12 of Act V. of 1861, to frame from time to time such orders and rules as he shall deem expedient for preventing abuse on the part of the police, and for rendering it efficient in the discharge of its duties under these rules.

32. Any prostitute who shall be convicted of a breach of any of these rules shall be liable to a fine not exceeding 50 rupees, or imprisonment for eight days, with or without labour, as provided in Clause 11, Section 19, of Act I. of 1866.

33. It shall be competent to the Local Government to invest the officer in charge of the Lock Hospital with power to punish breaches of Rules 16, 18, and 19, provided that no penalty imposed by such officer shall exceed a fine of five rupees, leviable in case of non-payment by distress and sale of any moveable property of the offender which may be found within the limits of the cantonment.

34. Whenever any registered prostitute is convicted of a breach of any of these rules a note of such conviction shall be made in the register prescribed by Rule 9, and in the ticket furnished to such prostitute under Rule 14.

General Provisions.

35. No person shall keep a brothel within the limits of a military cantonment, except by the permission of the sub-committee charged with the execution of these rules.

36. Every applicant for permission to keep a brothel within the limits of a military cantonment, shall state in his application the number and street in which he proposes to establish such brothel; he shall also state the number of prostitutes to be kept in such brothel.

37. After an inspection and approval of the premises and situation of the proposed brothel, the applicant shall be registered as permitted to keep a brothel for (here enter number) of prostitutes. Every registered brothel-keeper shall be furnished with a copy of the Rules prescribed under Clause 7, Section XIX. Act I. of 1866, and shall be required to affix these Rules in some conspicuous part of his brothel.

38. The registered brothel-keeper shall keep a list in the form prescribed in Schedule E. (this form to be added to those already appended to Chapter V.), of all prostitutes residing in the said brothel, and shall furnish the office of the cantonment committee with a copy of such list for record in the office of the sub-committee charged wit the execution of these rules.

39. In this list the names, ages, and personal description of the prostitutes, inmates of such brothel, shall be entered; any change that may from time to time take place in the inmates of the brothel shall at once be notified by the brothel-keeper to the "Cantonment Magistrate," Secretary to the Cantonment Committee.

40. A copy of these lists shall be furnished by the "Cantonment Magistrate" to the Superintendent of Police for verification and for record in his office.

41. Every registered brothel-keeper shall, when required by any police officer authorised to inspect brothels and prostitutes' houses, or by the "Sanitary Officer of the Cantonment," or by any other officer authorised to make such inspection by the sub-committee, produce the list described above in Rule 38.

42. It shall not be lawful for any brothel-keeper within the limits of a military cantonment to receive into his house as a resident, or temporarily for the purpose of prostitution, any woman whose name has not been entered as a registered or special registered prostitute in the office of the Cantonment Committee, and who is not provided with a ticket showing her to have been so registered.

43. No child, above four years of age, shall be kept in or upon the premises of any brothel situated within any military cantonment.

44. Brothel-keepers shall report immediately to the "Sanitary Officer of the Cantonment," and to the Medical Officer in charge of the Lock Hospital all cases of disease occurring among the inmates of their respective brothels, and shall strictly observe any orders regarding such diseased persons as may be issued by the above-named officers.

45. Brothel-keepers shall cause the prostitutes, inmates of their brothels, to "observe Rule 16 of this Chapter."

46. No food or "intoxicating" drink shall be sold on the premises of any registered brothel situated within the limits of a military cantonment. The supplying any European soldier with "intoxicating" liquor in any licensed brothel, under any pretence soever, shall be held to be a breach of this rule.

47. All registered brothels and the houses of all special registered prostitutes within the limits of a military cantonment shall be inspected by an officer of police, acting under the direction of the sub-committee, or by any person specially appointed for such inspection by the sub-committee, not less than once in seven days, and all such brothels and prostitutes' houses shall be open to the inspection, if necessary, by day and by night, of the police, the "Sanitary Officer of the Cantonment," or any other person deputed by the sub-committee charged with the execution of these rules to make such inspection.

48. The person and necessary clothing of any prostitute residing in a registered brothel, situated within a military cantonment, shall not be detained on account of any debt which may be owing by any such prostitute to the brothel-keeper, or any other inmate of such brothel, nor for any other reason soever shall any prostitute be detained against her will in any such brothel. Provided that every brothel-keeper shall bring to the notice of the "Sanitary Officer of the Cantonment" the absence of any prostitute, an inmate of such brothel, within 24 hours of such absence occurring.

49. The

49. The keepers of registered brothels and all special registered prostitutes in their houses, within the limits of a military cantonment, shall be held responsible for the due observance of any orders, not inconsistent with these rules, which may from time to time be issued by the sub-committee charged with the execution of the aforesaid rules, for the preservation of health, cleanliness, or decency, in such brothels and houses.

50. Brothel-keepers shall furnish a list to the "Sanitary Officer of the Cantonment" of all female servants in their employment, and these female servants, if below 40 years of age, shall be submitted to medical examinations similar to those prescribed for prostitutes who are borne on the register of such brothels. It shall not be lawful for any brothel-keeper to receive as an inmate of such brothel any female who has not been registered as a prostitute, or as a female servant attached to such brothel.

51. Female brothel-keepers below 40 years of age shall be submitted to the same medical examination as prostitutes, the inmates of such brothels.

52. Every female brothel-keeper or female servant employed by a brothel-keeper, who, on medical examination, shall be found to be affected with any venereal disease, shall be detained at the Lock Hospital until cured, and shall be registered as a prostitute in the manner provided in these rules for the registration of prostitutes in a military cantonment.

53. Any brothel-keeper who shall be convicted of a breach of any of these rules shall be liable to fine not exceeding 50 rupees, or imprisonment for eight days, with or without labour, as provided in Clause 11, section 19 of Act I. of 1866.

SCHEDULE A.—(Referred to in Paragraph 9.)

REGISTER of Public Prostitutes in the Cantonment of

Register Number.	Name.	Name of Father.	Caste.	Age.	Place of Residence in Cantonment.	Date of Registry.	REMARKS.
							[Entries required under Rules 12, 24, 25, and 34 will be made in this Column.]

SCHEDULE B.—(Referred to in Paragraph 14.)

TICKET of Registered Prostitute in the Cantonment of

Name

Caste

Registered Number

Place of Residence in Cantonment

Date of Registry

Personal appearance

Year and Month.	Dates of Medical Examination and Signature of Medical Officer.				Remarks.
	Date of Inspection in First Half of Month.	Signature of Medical Officer.	Date of Inspection in Second Half of Month.	Signature of Medical Officer.	
January					[In this column will be recorded all cases in which disease may be detected; dates of admission into, or discharge from, Hospital; penalties incurred, and the cause thereof, &c. &c.]
February					
March					
April					
May					
June					
July					
August					
September					
October					
November					
December					

SCHEDULE C.—(Referred to in Paragraph 11.)

ABSTRACT of Regulations to be observed by Registered Prostitute, No. , in the Cantonment of

1. She shall obey all rules laid down by the Government under Clause 11, Section 19, of Act I. of 1866, and will be liable, on conviction of a breach of any such rule, to fine and imprisonment according to the provisions of the said Act.

2. If she desire to have her name removed from the register, she shall apply to the Cantonment Magistrate.

3. She shall pay monthly to the Lock Hospital fund the sum of , except during such time as she may be under treatment in the Lock Hospital, when such payments will cease.

4. She shall not transfer or lend her ticket to any other person on any account, or for any purpose whatever.

5. She

5. She shall present herself, with her ticket, for medical examination, at such time and place as may be appointed, unless specially exempted from so presenting herself.

6. If at any time she becomes affected with any venereal disease, she shall remain under treatment in the Lock Hospital until discharged. During such treatment, she will receive subsistence allowance from the hospital fund, and will be liable to no charge on account of subsistence or treatment.

7. She shall allow the inspection of her house by any duly authorised officer, and shall, when required to do so, exhibit her ticket to such officer.

8. She shall obey all rules laid down for maintaining her house in a state of cleanliness, and for provision therein of water and means of ablution.

9. If she desire to change her place of residence, or to leave the cantonment, she shall signify her wish to the Cantonment Magistrate.

10. She shall not practise her trade in any other cantonment in which she has not been duly registered.

11. She shall not publicly solicit any person.

SCHEDULE D.—(Referred to in Paragraph 17.)

REGISTER of Medical Examination of Registered Prostitutes in the Cantonment of

Name

No. in Register of Prostitutes

Year and Month.	Dates of Medical Examinations and Signature of Medical Officer.				REMARKS.
January					[In this column will be recorded the result of all medical examinations.]
February					
March					
April					
May					
June					
July					
August					
September					
October					
November					
December					

— VI. —

LIST of PLACES in which RULES similar to the foregoing are in force under the several CANTONMENT ACTS.

Cantonments in which the Bengal Rules are in Force.	Cantonments in which the Madras Rules are in Force.	Cantonments in which the Bombay Rules are in Force.
Agra. Allahabad. Attock. Barrackpore. Bareilly. Benares. Cawnpore. Chakrata. Dagshai. Dalhousie. Darjeeling. Delhi. Dinapore. Dum Dum. Fategarh. Ferozepore. Fyzabad. Jhansi. Jubbulpore. Jullundur. Kasauli. Lahore Fort. Landour. Lucknow. Meerut. Mean Meer. Mooltan. Moradabad. Murree. Muttra. Naini Tal. Nowgong (Bundlekund). Nowshera. Pachmarhi. Peshawur. Quetta. Ranikhet. Rawal Pindi. Roorkee. Saugor. Shajahanpur. Sialkot. Sitapur. Subathu. Umballa. *Garrisoned by Troops on the Bombay Establishment.* Deesa. Mhow. Neemuch. Nusseerabad. *Garrisoned by Troops on the Madras Establishment.* Kamptee. Secunderabad. Rangoon. Thayetmyo. Toungoo.	Bellary. Cannanore. Pallaveram. Poonamallee. St. Thomas Mount. Trichinopoly. Wellington.	Aden. Ahmedabad. Ahmednagar. Deolali. Hyderabad. Kirkee. Kurrachee. Poona. *Garrisoned by Troops on the Madras Establishment.* Belgaum.

RETURN

RELATING TO

CONTAGIOUS DISEASES ACTS

(EAST INDIA).

(*Mr. James Stuart.*)

Ordered, by The House of Commons, *to be Printed,*
28 *February* 1887.

[*Price* 5½ *d.*]

H.—2. 4. 87.

EAST INDIA (COOPER'S HILL COLLEGE).

RETURN to an Address of the Honourable The House of Commons, dated 27 May 1889;—*for*,

"COPY of the APPENDIX to the REVISED PROSPECTUS of the INDIAN CIVIL ENGINEERING COLLEGE, COOPER'S HILL, for the Year 1871, referred to in Parliamentary Paper, No. 148, of Session 1871, page 30, paragraph 44."

India Office,
29 May 1889.

J. A. GODLEY,
Under Secretary of State for India.

(*Mr. Hubbard.*)

Ordered, by The House of Commons, *to be Printed*,
29 *May* 1889.

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RETURN

RELATING TO

CONTAGIOUS DISEASES ACTS

(EAST INDIA).

(Mr. James Stuart.)

Ordered, by The House of Commons, *to be Printed,*
28 *February* 1887.

[*Price* 5½ *d.*]

H.—2. 4. 87.

EAST INDIA (COOPER'S HILL COLLEGE).

RETURN to an Address of the Honourable The House of Commons, dated 27 May 1889;—*for*,

"COPY of the APPENDIX to the REVISED PROSPECTUS of the INDIAN CIVIL ENGINEERING COLLEGE, COOPER'S HILL, for the Year 1871, referred to in Parliamentary Paper, No. 148, of Session 1871, page 30, paragraph 44."

India Office,
29 May 1889.

J. A. GODLEY,
Under Secretary of State for India.

(*Mr. Hubbard.*)

Ordered, by The House of Commons, *to be Printed*,
29 *May* 1889.

LONDON:
PRINTED BY HENRY HANSARD AND SON;
AND
Published by EYRE and SPOTTISWOODE, East Harding-street, London, E.C.
and 32, Abingdon-street, Westminster, S.W.;
ADAM and CHARLES BLACK, North Bridge, Edinburgh;
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COPY of the APPENDIX to the REVISED PROSPECTUS of the INDIAN CIVIL ENGINEERING COLLEGE, COOPER'S HILL, for the Year 1871, referred to in Parliamentary Paper, No. 148, of Session 1871, page 30, paragraph 44.

INDIAN CIVIL ENGINEERING COLLEGE—PROSPECTUS.

APPENDIX.

EXTRACTS from the RULES for the Grant of LEAVE of ABSENCE and PENSIONS applicable to Civil Engineers in India.

LEAVE OF ABSENCE.

The following are the kinds of Leave allowed : —

I. Leave on medical certificate.

II. Leave on private affairs and furlough.

III. Privilege leave.

IV. Preparatory or additional leave.

9. Leave on private affairs and furlough will be granted by Government, or by authorised officers, on sufficient cause being shown, and when the concession of the indulgence may in no way interfere with the interests of the public service.

10. When an officer on leave in England is permitted by the Home Government to return to duty by a particular vessel, this permission, if necessary, will be held equivalent to an extension of leave until the arrival in India of the vessel on which the officer is permitted to return.

11. Leave on medical certificate, with allowances, must in no case exceed three years in all, and not more than two years may be taken at one time. Subject to these restrictions, leave within Indian limits may be granted, with allowances, on medical certificate, as often as sufficient cause is shown; but beyond Indian limits, such leave cannot be granted more than twice during the whole period of service. Should any further leave be applied for on medical certificate, it may be granted, but without any allowance. Preparatory leave counting as service towards pension, can only be admitted in regard to two periods of leave.

12. Leave on private affairs and furlough, with retention of office, may be granted as follows: —

1*st. Leave on private affairs*;—for six months in one period, which leave may be repeated after intervals of six years.

2*nd. Or a furlough*;—for one year after ten years' service, and a second furlough, also for one year, after 18 years' service in India; such absence being limited to two years during the whole period of service.

13. On

13. On taking leave under the preceding rule, for the first time, an officer must decide whether he will apply for leave on private affairs, or for furlough, and having once exercised his option and obtained leave accordingly, he will not, during the remainder of his service, be eligible to the other description of leave.

14. Furlough, and leave on private affairs, taken in India, will reckon from the date of leaving office to the date of return thereto. Furlough and leave on private affairs, taken beyond India, will reckon from the sailing of the vessel on which the officer embarks to the date of his return to India.

15. Furlough or leave on private affairs cannot be taken in continuation of privilege leave.

16. Privilege leave, when it can be granted without injury to the public service, and without additional expense to the State, may be allowed for not more than one month in each calendar year, to be taken either in one period or in not more than two instalments. Privilege leave may also be allowed to accumulate up to a limit of three months.

17. Privilege leave for one month in each calendar year may be allowed to officers who have not been absent on leave for 11 months immediately preceding; unless they took their last privilege leave in two instalments, in which case the indulgence will not be available until 11 months after the expiration of the first instalment, and six months after the expiration of the second instalment of the previous year's privilege leave.

18. Preparatory or additional leave is allowed to officers proceeding to or from a sanatarium on medical certificate, or to or from the port of embarkation from India to Europe on private affairs, furlough, or medical certificate, and is limited to such period as the authority granting leave may think sufficient. Officers proceeding from presidency towns, on sick leave beyond sea, will be allowed 14 days for preparation.

19. Officers retiring from the service on pension will be allowed 14 days' leave on half-pay, provided the indulgence can be given without detriment or extra expense to the public service.

Absentee Pay.

20. Absentee pay, if at half salary, shall in no case exceed Rs. 6,000 or 600 *l.* per annum; or, if at one-fourth salary, shall not exceed 300 *l.* per annum. Within these limitations, absentee pay will be given as follows:—

I. To an officer absent on sick leave, in or out of India, half salary for the first 15 months of each period of absence (or, if the leave be taken in short periods in India, for the first 30 months taken from time to time, provided that half salary be not drawn for more than 15 months at any one time), and one-fourth salary during the remainder of his absence on allowances.

II. To an officer on leave on private affairs, one half of his salary for a period not exceeding six months of continuous absence, and for any further period of preparatory leave which may be granted to him. But, if an officer, absent on private affairs, obtain an extension of leave on medical certificate, he will be subject for the whole period of his absence to the rules for sick leave.

III. To an officer proceeding on furlough, whose salary does not exceed Rs. 200 per month, one half of his salary; provided, however, that it shall not exceed Rs. 800, or 80 *l.* per annum. If the absentee's salary shall be—

Rs.		Rs.		Rs. £.
Above 200	and not exceeding	400 per month	he may be granted an annual allowance of	1,300 or 130
„ 400		700 „		2,000 „ 200
„ 700		1,200 „		3,000 „ 300
„ 1,200				4,000 „ 400

IV. To

IV. To an officer on preparatory leave, one-half salary before commencement of other leave, and, on return from leave, one-half salary, one-fourth salary, or furlough pay, according to the rate of allowance he may be then drawing.

V. To an officer on privilege leave, full pay.

21. An officer who overstays privilege leave by not more tha none month, will forfeit pay for the period in excess; but if he exceed his leave by more than one month, his office will become vacant. An officer on privilege leave who may resign the service, or who may obtain sick leave without first rejoining, will, in the former case, forfeit his salary for the period of privilege leave, and, in the latter case, be subject to the rules for sick leave for the whole period of his absence.

Superannuation Allowances and Pensions.

Allowances on Retirement.

6. On production by an applicant of such medical certificates as shall satisfy the Government under which he may be serving of his incapacity to serve longer in India, he may be allowed—

I. Under 15 years' service, a gratuity not exceeding 12 months' salary.

II. After 15 years' service, one-third of his average salary (and of his personal allowance, if any) during the previous five years; provided, that in no case shall a pension be granted exceeding the sum of Rs. 3,000 per annum, whatever the amount of salary, nor of Rs. 2,000 per annum, if the salary shall not exceed Rs. 12,000 per annum.

III. After 25 years' service, one-half of his average salary (and of his personal allowance, if any) during the previous five years; provided, however, that in no case shall a pension be granted exceeding Rs. 5,000 per annum, whatever the amount of salary, nor exceeding Rs. 4,000 per annum, if the salary shall not exceed Rs. 12,000 per annum.

7. After 30 years' service or upwards, a pension may be granted, without production of medical certificate, of the same amount and subject to the same limitation as that sanctioned for 25 years' service on medical certificate. This pension, as the reward of faithful efficient discharge of duty for 30 years, is termed a good service pension.

8. Pensions of the full amount authorised in paragraphs 6 and 7 are to be granted only as the reward of approved service. In any case in which an uncovenanted servant, without having incurred the penalty of removal from Government employ, shall nevertheless, in the opinion of the Government under which he has been serving, not be entitled to the full amount of pension, the local Government will make such a reduction in the amount of pension as it shall consider just.

9. The foregoing rates of pension and gratuity are applicable also, without the production of a medical certificate of unfitness for service, to officers discharged on reduction of establishment.

Service towards Pension.

10. Dismissal for misconduct entails forfeiture of the benefit of past service.

11. Service as a substitute does not count towards pension.

12. Periods of service before the age of 22, or of absence on other than privilege leave and preparatory leave, shall not count towards pension; nor shall preparatory leave be allowed to count as service, if it is granted in addition to leave on medical certificate to an officer who has enjoyed leave of the latter description on two previous occasions.

13. The whole of the service in virtue of which pension is claimed must have been passed in an eligible grade and on a permanent establishment; but claims barred

barred by this rule will be specially considered if the promotion from an ineligible grade was bestowed as a reward for meritorious service or for good conduct.

14. The period of service must be continuous; but, in case of the abolition of the office held by an officer, and his being subsequently employed by Government, his first period of service is to be taken into account.

Gratuities.

15. When an officer is discharged with a gratuity under these rules on reduction of establishment, the gratuity will not be given to him in one sum, but in monthly instalments of a month's pay until the full amount is paid. Should he be re-employed before or after the period for which gratuity is allowed, he will have the option of refunding the gratuity and recovering his former service, or of forfeiting that service by retaining the gratuity. In the latter case, any balance of gratuity remaining undrawn at the date of his re-employment may be paid to him.

Payment of Pensions.

16. Payment of pension will commence from the date on which the applicant ceases to be borne on the establishment, or from that of his application, whichever may be the later date.

17. No pension shall be payable in arrear for a period exceeding six months, without the express sanction of Government obtained through the civil paymaster, unless the cause of the suspension of payment shall have been the neglect, order, or act of some public officer, and beyond the control of the pensioner, when the civil paymaster, on a reference being made to him, shall exercise his discretion in passing arrears for payment, or submit a representation of the case for the information and orders of Government, as he shall consider proper.

18. An officer, shall, on retirement, have the option of drawing his pension either in India or from the Home Treasury. After exercising his option on retirement, he may, at a subsequent period, change the place of payment from India to England, or *vice versâ*. This change can, however, be allowed but once. The payments in England will be made at the rate of exchange which is annually fixed in communication with the Lords of the Treasury for the adjustment of transactions between the British and Indian Exchequers.

EAST INDIA (COOPER'S HILL COLLEGE).

COPY of the APPENDIX to the REVISED PROSPECTUS of the INDIAN CIVIL ENGINEERING COLLEGE, COOPER'S HILL, for the Year 1871, referred to in Parliamentary Paper, No. 148, of Session 1871, page 30, paragraph 44.

(*Mr. Hubbard.*)

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LONDON:
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[*Price* 1 *d.*]

174. H.—1. 6. 89. *Under* 1 *oz.*

EAST INDIA (UNCOVENANTED SERVICE).

RETURN to an Address of the Honourable The House of Commons, dated 23 May 1889;—*for*

"RETURN showing the Number of PENSIONERS, retired Members of the Uncovenanted Service of India, whose Pensions were paid in England prior to the Year 1864, the Names of Pensioners so paid, and the Presidencies to which they belonged."

India Office,
24 May 1889.

JOHN E. GORST,
Under Secretary of State for India.

(Mr. King.)

Ordered, by The House of Commons, *to be Printed,*
27 *May* 1889.

LONDON:
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ADAM and CHARLES BLACK, North Bridge, Edinburgh;
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171.

EAST INDIA (UNCOVENANTED SERVICE).

RETURN showing the Number of Pensioners, retired Members of the Uncovenanted Service of India, whose Pensions were paid in England prior to the Year 1864, the Names of Pensioners so paid, and the Presidencies to which they belonged.

(*Mr. King.*)

Ordered, by The House of Commons, *to be Printed*
27 *May* 1889.

[*Price* ½ *d.*]

171. *Under* 1 *oz.*

H.—6. 6. 89.

EAST INDIA (DISTRESS AT GANJAM).

RETURN to an Address of the Honourable The House of Commons, dated 6 May 1889;—*for*,

"REPORTS by Mr. *J. H. Garstin*, C.S.I., on Condition of GANJAM, MADRAS."

India Office,
9 May 1889.

JOHN E. GORST,
Under Secretary of State.

(Mr. Bradlaugh.)

Ordered, by The House of Commons, *to be Printed,*
10 *May* 1889.

LONDON:
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(12TH DECEMBER 1888, No. 860, REVENUE.)

GOVERNMENT OF MADRAS—REVENUE DEPARTMENT.

READ—again G.O., dated 25th October 1888, No. 735, Revenue.

ABSTRACT.—Deputing Mr. Garstin to proceed at once to Ganjam and report the exact condition of affairs, and authorising him, if the condition of the district is, in his opinion, such as to render it advisable to open relief works, to take the necessary steps for putting in hand at once the work connected with the Rushikulya project.

READ—also the following letter from *J. H. Garstin*, Esq., C.S.I., First Member, Board of Revenue (on special duty), to the Secretary to Government, Revenue Department, dated Chatrapur, 27th November 1888, No. 17 :—

ON the 25th ultimo I received the orders of Government to proceed at once to Ganjam, and report with as little delay as possible on the exact condition of affairs in that district, copies of all communications which had reached the Government up to that date, relating to the state of the district, being also sent to me. I was at the same time authorised to take the necessary steps for putting in hand, at once, the works connected with the Rushikulya project, under the rules prescribed by the Famine Code for professional agency works, if, in my opinion, the condition of the district rendered such a step advisable. I was also directed to consider and report whether the district staff in any department required strengthening.

2. The papers communicated to me with the above order were a file of weekly season telegrams from all the districts of the Presidency, and copies of the following telegrams from the Collector of Ganjam to the Revenue Board :—

(1.) Summary of season report for the week ending 6th October 1888 (dated 8th October)—"Rainfall average ·78. Want of rain much felt. Standing crops withering; grasshoppers appeared in the Berhampore taluk. Prices—rice higher, rest lower. Fever and small-pox in two taluks. Twenty-nine deaths from cholera."

(2.) Telegram from Collector of Ganjam, dated 15th October 1888—"Rice 10·29, ragi 20·23, cholum 20·5, cumbu 26·43. No report Balliguda. Other stations no rain. Rain last week, Narsannapet, 1·73. No rain Balliguda. Standing crops withering and withered. Agricultural stock good. No diseases reported. Prices rapidly rising; stocks of grain being held back by merchants. Scarcity apprehended. Scarcity of water felt in many places. Fever and small-pox in some parts of Berhampore and Goomsur taluks. Cholera deaths two."

(3.) Telegram from Collector of Ganjam, dated 18th October 1888—"Letter despatched yesterday. Will report more fully in a day or two.

Prices continue rising. Merchants withholding stocks. No rainfall reported since Monday. Famine imminent."

(4.) Telegram from Collector of Ganjam, dated 20th October 1888—"Scarcity intensive throughout the district and rapidly approaching famine. Bazaars not supplied, owing to general panic and merchants withholding stocks; grain loots reported from Kotabommalai, in Chicacole taluk, Aska, and Berhampore town. Recommend purchase by Government of rice to hold in readiness to supply. Police must be greatly strengthened. Strongly urge Rushikulya project works and Gopálpur canal. Deputy Tahsildar, Aska, telegraphs relief urgently wanted there. No rain. Prices reported to be rising."

(5.) Telegram from Collector of Ganjam, dated 24th October 1888—"State of affairs rapidly becoming worse and worse. Lawlessness setting in; gangs, amounting to several hundreds, openly looting. Police totally insufficient to cope with them. Have called in the Goomsur paiks and am using every effort to restore confidence and order; consternation general, and holders of stocks will not come forward. Have directed local fund engineer, tahsildars and managers estates, to spend up to full allotments of year, and urgently pray immediate re-opening Rushikulya works. Recommend strengthening police force, extra magistrates to relieve tahsildars. Relief-houses, where absolutely necessary, and advances to weavers upon whom famine now presses. Repeat recommendation to Government to purchase stocks of grain to hold in reserve. Letter follows."

3. In obedience to the orders sent me I left Madras, by the first steamer, on the 29th ultimo. That night a heavy burst of the north-east monsoon commenced, and copious rain fell daily at sea till I reached Gopálpur on Sunday the 4th instant. I was there met by the Collector, Mr. Horsfall, who informed me that good rain had fallen in the district, and that prospects were, in consequence, much improved. It continued to fall near the coast heavily, but more lightly inland, daily for a week after my arrival.

4. It was obvious that, in order to acquire a good idea of the state of affairs in the district, it would be necessary for me to make a tour through those parts of it where distress was most severe or most to be apprehended. Accordingly, as soon as possible after landing, I arranged the details of such a tour with the Collector, and started with him the same afternoon for Chatrapur, where his head-quarters are.

5. The next day I devoted to getting information and statistics from the Collector's office which would enable me to compare the present state of the district in respect of prices, rainfall, export and import of grain, cultivation, remissions and emigration, with the four preceding years, and I now subjoin the result of that comparison.

In the Administration Reports of 1884-85, 1885-86, 1886-87, and 1887-88, I found the season of 1884-85 described as a bad one for rice-lands, and that the prices of the principal food-grains rose during the second half of the year in consequence of the expected failure of the paddy crops. The season of 1885-86 is described as worse than its predecessor as regards wet crops, and the prices of all food-grains, except wheat, are stated to have risen in consequence. It is also stated that the Chilka canal works were opened in that year to furnish the people living in the tract of country to the north of the Rushikulya river with work, as they were in a distressed condition owing to the failure of their crops. The bamboo is, moreover, stated to have seeded that year, and thus to have afforded a considerable supplementary supply of food for the poorest classes. In 1886-87 the character of the season is stated to have been good, and in consequence the prices of all food-grains, except those of wheat and black gram, fell. The year 1887-88 is also stated to have been a favourable one, and the prices of all food-grains, except horse-gram, fell in consequence.

A comparison of rainfall of the same four years with that of the present year, up to the end of October, shows that in the current year the rains have been far

far scantier up to that date than in any of the others, as shown in the appended table :—

Months.	1884–85.	1885–86.	1886–87.	1887–88.	1888–89.	Remarks.
April - - -	·8	·7	·12	·50	·24	The figures here given are taken from the Collector's office. They differ slightly from those compiled in the office of the Board of Revenue.
May - - - -	1·3	2·7	3·38	1 81	·37	
June - - -	5·2	2·5	4·64	5·98	2·37	
July - - -	6·9	6·7	8·47	8·19	3·28	
August - - -	5·2	6·2	10·15	9·45	7·42	
September - -	11·8	4·4	11·12	5·19	4·47	
October - - -	4·9	4·9	15·71	7·12	1·95	
	36 1	28·1	53·59	38·24	20·10	
November - -	·07	7·2	5·88	1·87	—	
December - -	·3	3·3	4·52	—	—	
January - - -	·4	·1	·04	·29	—	
February - - -	1·8	- -	- -	·67	—	
March - - -	·8	1·7	·89	·11	—	
Total - - -	39·47	40·4	64·92	41·18	—	

Similarly, a comparison of the prices of second-sort rice and ragi, which are the two grains most consumed in the district, shows that the district average prices of those grains were far higher during the month of October 1888 than at any time in the previous four years, as shown below :—

Month.	1884–85.		1885–86.		1886–87.		1887–88.		1888–89.		Remarks.
	Rice.	Ragi.	Rice.	Ragi.	Rice.	Ragi.	Rice.	Ragi.	Rice.	Ragi.	
	Seers per Rupee.	*Seers per Rupee.*	*Seers per Rupee.*	*Seers per Rupee.*	*Seers per Rupee.*	*Seers per Rupee.*	*Seers per Rupee.*	*Seers per Rupee.*	*Seers per Rupee.*	*Seers per Rupee.*	
April - - -	19·99	37·22	15·49	28·94	14·16	28·21	19·	38·52	18 88	31·79	The figures here given are taken from the Collector's office. They differ slightly from those compiled in the office of the Board of Revenue.
May - - -	18·98	37·46	15·21	29·87	14·22	28·09	18·17	33·10	18·61	31·33	
June - - -	18·47	35·28	15·53	27·87	12·78	25 43	18·33	32·20	18·35	29·44	
July - - -	18·45	34·12	15·79	27·60	14·08	27·94	18 29	31·55	17·78	27·25	
August - - -	15·13	25·66	15·01	27·70	13·30	28·67	18·56	25·80	15·81	24·78	
September - -	14·87	28·28	14·39	28·17	14·49	30·03	18 84	32·01	14·32	24 81	
October - - -	15·63	32·54	13 01	27·15	14·91	35·39	18·83	32·62	11·17	22·42	
November - -	16·09	33·05	13·13	28 15	15·02	34·78	18·35	32·67	—	—	
December - -	16·73	31 43	13·41	28·31	15·03	34·72	18·52	32·34	—	—	
January - - -	16·72	31·36	14·01	28·63	17·16	34·65	18·81	33·09	—	—	
February - -	16·25	30·74	14·07	28·12	17·79	35·38	18·54	32·06	—	—	
March - - -	15·97	29·60	13·76	27·96	18·03	40·27	19·21	31·97	—	—	
Average - -	16·93	32·24	14·40	28·20	15·08	31·96	18·62	32·32	—	—	

I also append a statement showing week by week for the month of October how prices rose. This statement shows clearly that a very sharp rise took place towards the end of the month when all hope of the north-east monsoon rain falling began to be abandoned :—

Month.	First Week ending 6th October.		Second Week ending 13th October.		Third Week ending 20th October.		Fourth Week ending 27th October.	
	Rice.	Ragi.	Rice.	Ragi.	Rice.	Ragi.	Rice.	Ragi.
	Seers per Rupee.	*Seers per Rupee.*	*Seers per Rupee.*	*Seers per Rupee.*	*Seers per Rupee.*	*Seers per Rupee.*	*Seers per Rupee.*	*Seers per Rupee.*
October - - -	12·20	23·84	10·29	20·23	9·97	21·58	10·12	21·62

The statistics of cultivation and remission for the five years, as far as available, also show a great falling off in the current year and are given below :—

Description of Crops Raised.	Extent of Cultivation in				
	Fasli 1294 (1884–85).	Fasli 1295 (1885–86).	Fasli 1296 (1886–87).	Fasli 1297 (1887–88).	Fasli 1298 up to the End of September.
	Acres.	*Acres.*	*Acres.*	*Acres.*	*Acres.*
Paddy - - - - -	292,040	279,358	300,213	285,545	177,286
Ragi - - - - -	81,499	92,287	85,316	92,538	68,147
Total - - -	373,539	371,645	385,529	378,083	245,433

Particulars of Remissions.	Fasli 1294 (1884-85).	Fasli 1295 (1885-86).	Fasli 1296 (1886-87).	Fasli 1297 (1887-88).	Fasli 1298 (1888-89).
	Rs.	*Rs.*	*Rs.*	*Rs.*	*Rs.*
Waste - - - - - -	14,800	24,504	1,001	6,184	1,00,000
Loss of crop - - - -	46,501	84,488	6,061	4,200	1,75,000
Difference between wet and dry assessment - - - -	769	2,364	535	170	25,000
Total - - -	62,070	1,11,356	7,597	10,554	* 3,00,000

* This is only the Collector's estimate.

These figures show that up to the end of September 1888 the extent of land under cultivation during the current fasli (cultivation year) was far smaller than in any of the preceding four years. Too much reliance cannot, however, be placed on the accuracy of these figures, for even in the districts with the most efficient village officers the accuracy of cultivation statistics is not beyond question, so that in Ganjam, where, I am informed by the Collector, the village officers are exceptionally ignorant, their accuracy is still more doubtful. The remissions of the current fasli have not yet been settled, but the Collector considers that they will probably amount to between two and three lakhs of rupees for wet land left waste and for loss of crops. Remissions are not altogether a safe test of the loss of the agricultural classes from a bad season, for they are not given at all for dry lands, except in very exceptional circumstances, while for wet lands they are only given when the land has been left waste or when the loss of crop is entire, none being given when there is partial yield; and yet it not unfrequently happens that the man who gets a one-sixth or one-eighth crop is a heavier loser on the whole than the man who simply leaves his land waste. Still, where remissions are large, they do show that the area of wet land left waste or on which the crops have utterly failed is also large, and comparing the Collector's estimate with the actuals of the four preceding faslis there is room to fear that the extent of wet crops entirely lost and of wet lands left waste, through want of timely rain, this year is exceptionally large. Moreover, on his recommendation the Government have sanctioned the grant this year of remission of the assessment on rainfed lands, on which rice is grown, which are classed as dry and ordinarily get no remission. This will probably increase the total of remissions to be granted.

The exports and imports of rice and paddy by sea up to the end of October of the current year, as compared with those of the preceding five years, is shown in the subjoined tables:—

Exports.

Month.	Rice.						Paddy.					
	1883.	1884.	1885.	1886.	1887.	1888.	1883.	1884.	1885.	1886.	1887.	1888.
	Cwts.	*Cwts.*	*Cwts.*	*Cwts.*	*Cwts.*	*Cwts.*	*Cwts.*	*Cwts.*	*Cwts.*	*Cwts.*	*Cwts.*	*Cwts.*
January - - -	21,331	30,283	-	-	- -	4,088	-	-	-	-	-	-
February - -	102,771	47,114	15,722	763	438	9,692	214	-	-	-	-	-
March - - -	188,756	87,121	14,371	7	49,841	43,509	-	8	-	-	47	-
April - - -	80,418	167,610	1,409	62	12,375	26,410	-	-	-	-	-	-
May - - -	58,198	129,708	1,612	-	27,371	10,487	-	-	-	-	-	-
June - - -	126,912	27,495	2,987	-	5,563½	2,312	-	-	-	-	1,270	-
July - - -	23,752	31,748	758	-	3,985	147	9	-	-	-	-	-
August - - -	57,902	9,690	733	3	5,232	—	-	-	-	-	-	-
September - -	15,850	- -	2,735	3	5,113	- -	295	-	-	-	-	-
October - - -	20,660	312	9	-	—	—	-	-	-	-	-	-
November - -	6,413	1,064	573	-	15	—	-	-	-	-	-	-
December - -	1,416	122	12	352	59	—	-	-	-	-	-	-
Total - - -	704,379	532,267	40,921	1,190	109,992½	96,645	518	8	-	-	1,317	-

Imports.

Month.	Rice.						Paddy.					
	1883.	1884.	1885.	1886.	1887.	1888.	1883.	1884.	1885.	1886.	1887.	1888.
	Cwts.	*Cwts.*	*Cwts.*	*Cwts.*	*Cwts.*	*Cwts.*	*Cwts.*	*Cwts.*	*Cwts.*	*Cwts.*	*Cwts.*	*Cwts.*
January - - -	-	-	938	738	-	-	-	-	1,370	312	-	-
February - -	-	-	1,500	-	-	-	-	-	900	-	-	-
March - - -	-	-	-	-	-	-	-	-	-	-	-	379
April - - -	-	-	2	-	-	-	-	-	-	-	-	-
May - - -	-	½	-	-	-	-	-	-	-	-	-	1½
June - - -	-	-	-	-	-	-	-	-	-	-	-	-
July - - -	-	-	1	-	-	-	-	-	-	-	-	-
August - - -	-	-	-	-	-	-	-	-	-	-	-	-
September - -	-	-	-	-	-	-	-	-	-	-	-	-
October - - -	-	-	-	-	-	9,782	-	-	-	-	-	785
November - -	-	-	-	-	-	-	-	-	-	-	-	-
December - -	2	118	-	-	-	-	-	566	-	-	-	-
Total - - -	2	118½	2,441	738	-	9,782	-	566	2,270	312	-	1,165½

These figures are suggestive. In 1883 an export trade of nearly three-quarters of a million of hundred weights of rice fell, in 1884, to about half a million, and in 1885, a bad year, to less than 50,000, dwindling to but little over 1,000 in 1886 (another bad year), but rising in a good year like 1887 to over 100,000, and showing a tendency to rise still higher during the current year, till the failure of the rains in June and July caused it to cease altogether. If the export of grain from a district may be taken (as I think it fairly may) as a proof of abundant stocks in hand, then the above figures seem to point to the fact that until June of the current year the stock of grain in the Ganjam district was abundant, or at any rate quite normal.

The subjoined emigration statistics show that up to the 12th November in the current year there has not been any marked increase in the number of emigrants by sea :—

Name of Port.	1885–86.	1886–87.	1887–88.	1888–89
Gopálpur - - - - -	897	882	2,952	* 1,687
Baruva - - - - -	3,230	2,920	1,170	* 2,748
Calingapatam - - - -	2,503	2,888	3,979	* 1,599
TOTAL - - -	6,630	6,690	8,101	* 6,034

* Up to the 12th November 1888.

6. The general conclusions I drew from the above facts and figures were that though the years 1884 and 1885 had been bad, 1886 and 1887 had been good ones, and that the prospects of the current year, up to the failure of the south-west monsoon to set in punctually and plentifully in June and July, were good; that the lateness of those rains and their scanty character had seriously affected the prospects of the rice crop, which is sown in June and July and reaped in December, and also probably lessened the out-turn of the dry crops reaped in September, but that there was, *primâ facie*, no reason to suppose that the supplies of grain in the district were abnormally low. The great cause of fear appeared to be that there might be distress owing to the high prices and the probability that the rice crop would be to a great extent a failure; but the former had fallen after the rains in the end of October and the beginning of November, and it was still too early to say what the effect of those rains on the crop would be or what would prove to be their actual out-turn.

7. Having settled with the Collector that we should start on our tour on Wednesday the 7th instant, I started the same evening (the 5th), for the Kallikót zemindari, where I learnt, from a report of a Public Works Department overseer attached to the estate, that there was a "starving mass" of people for whom work should be provided. I had intended to have gone to Kallikót itself, but, owing to the rain, I only got as far as Rambha, where the manager of the Kallikót estate (which is under the Court of Wards), the Deputy Tahsildar of Ganjam, and the Biridi zemindar, met me on the morning of the 6th. I made inquiries about the condition of the estate and the people; but beyond the fact that the crops were in a very bad way in some parts, and that, therefore, distress was probable, there was no evidence of any want of food-supply. The crowd of people who collected round me at Rambha as I prepared to walk back towards Ganjam was composed of more than 200 persons, with a large proportion of children, who all looked very well. The children held out their hands smilingly for presents, and two or three miserable-looking beggars asked for alms, but there was nothing in the general appearance of the people to cause any anxiety. The Deputy Tahsildar had received orders from the Collector to deal with poor persons who had none to help them and were unable to work. On my way back to Chatrapur I examined the crops as well as I was able, and met the zemindars of Humma and Palur, the former of whom complained of the failure of the crops in his estate. He had good reason to do so, I am sorry to say, for they looked very bad, and I fear he will get little or nothing from the rice crops I saw. He alluded to the Mallada Tampara irrigation project, a scheme which has hung fire, I believe, for a great many years, which he said would save all his crops in such a year if it was carried out. From G.O., dated 4th March 1875, No. 355, and connected papers, I find that this is an inexpensive project, esti-

mated to cost only about 18,000 rupees, which, if carried out, would irrigate about 1,265 acres of Government land, 539 of zemindari, and 212 of inam, besides improving the existing irrigation of 3,209 acres of zemindari, and 689 of inam land, and improve the water-supply of the town of Ganjam. I have not been able to see the plans of this work, as I am informed they are in the superintending engineer's office, but I strongly urge its prosecution to completion as a protective work with all possible despatch. It seems that it has more than once been referred by Government to the Public Works Department since 1872, in view to action being taken, but nothing appears to have been done. Near Ganjam the crops looked very poor, and a crowd of the people of the village complained to me of their want of food and loss of crops. The latter complaint is, I fear, only too well-founded, but their appearance belied the former. However, this is the head-quarters of the Deputy Tahsildar, so that persons in need of village relief, and eligible for it, will readily get it.

8. On the 7th I started, in company with Mr. Horsfall, on our tour. The portion of the district in which the greatest distress was supposed to exist or was apprehended includes the Government taluks of Berhampore and Goomsur, and the zemindari estates of Chikati, Bodogada, Pedda Kimedi, Chinna Kimedi, Sérgadá, Dhárákot, Aska, Kurla, Atgadá, Kallikót, Humma, Biridi, and Palur; in fact, speaking roughly, all the district north of Ichápur, exclusive of the maliahs of Bodogada, Pedda Kimedi, Chinna Kimedi, and Goomsur. It is an area comprising about 3,000 square miles, with a population of about 800,000 persons. I enclose a map of the district showing the route followed by us.

9. We went first to Berhampore, the most important town of the district. On both sides of the road the whole way there was nothing but rice crops, looking for the most part green and well, but this appearance, I was sorry to find, was often very deceptive, as several examinations of ears of what looked like an excellent crop of paddy disclosed the fact that they were merely husks without any grain in them at all. At Berhampore I called a meeting of all the principal grain merchants of the district, who met me to the number of about a dozen. I questioned them as to the stocks of food-grains in the district. Some thought there was enough to last for six months, but the general opinion was in favour of a four or five months' supply after making allowance for the harvest to be reaped in December, about half of which would be required for seed. I assured them that the Government would not interfere with their trade in any way, and questioned them as to the probable future course of prices and their readiness to import if stocks ran short. They said, frankly enough, that if they saw their way to making a profit of three or four annas a bag, they would import largely from Cocanada or Calcutta, but not otherwise. It did not, however, pay them to import rice from Cocanada just then, as the local price was *Rs.* 6. 10. 0. a bag, while it cost *Rs.* 5. 8. 0. or *Rs.* 5. 12. 0. a bag in Cocanada, and *Rs.* 1. 4. 0. for freight and landing charges, thus making a total of *Rs.* 6. 12. 0., or seven rupees. They said, however, that they were nervous about importing largely, as they feared that the British India Steam Navigation Company would immediately raise their rates for freight if they did so. If prices, however, fall at Calcutta and Cocanada, they would fall in Ganjam. Existing stocks of grain in the district they thought were only about one-quarter of the usual supply at this time of year. In ordinary seasons, they said, Orissa supplies half the rice needed in Ganjam, but they could not depend on Orissa this year, for they had all sent their agents to Puri to negotiate large purchases of rice some time ago, and the merchants there had threatened to loot the rice if any attempt was made to carry it away. Rice could be landed at Gopálpur in any season at the pier if it was sufficiently lengthened, but if landing at that port is impossible, Orissa cannot be depended on for the full supply. No large supply of grain, they said, could be imported by road.

10. I may here mention that, before leaving Chatrapur, I had wired to the Commissioner of the Orissa division asking him whether relief works were still in progress in that division, and whether the supply of rice there was sufficient to maintain the usual exports to this district. He replied on the 7th that good rain had fallen generally in Orissa division; that relief works were still in progress on a small scale, but not likely to be long required; and that the supply of rice was not sufficient to maintain the usual exports to Ganjam. I

sent

sent him another telegram on the 21st on the same subject, and his reply, dated 22nd, is as follows:—

"Prospects improved. Relief works practically stopped in Cuttack. All exports likely to be available are taken up by advanced contracts with Calcutta and England."

11. When the meeting of grain merchants was over a petition was presented to me on behalf of the weavers of Berhampore, a numerous class, said to number about 2,000 persons, requesting that the Government would give them contracts for cloths for tents, as they could get no work and could not sell their stocks of cloths. I asked the Collector to favour me with his views on the petition, and he referred it for report to one of the municipal councillors, which reached me some days later, and which I notice further on in this report. The Collector had already urged the giving of advances to these weavers on the Government, and he subsequently reported to me that he considered that advances should be made to them.

12. From Berhampore we went to Ichápur, and for 14 out of the 16 miles drove through a wide expanse of rice fields which looked fairly well. Near Berhampore they appeared particularly so, but fell off in appearance as we got nearer Ichápur, until during the last two miles before reaching that place they looked very bad. At this town a young man, who turned out to be the Sub-Registrar of Assurances, presented me with a petition on behalf of a Sub-Committee, which he said had been hastily formed at the request of the Berhampore District Committee (a body affiliated to the National Congress), in which a request was made that the Government would open relief works and relief houses and order the price of rice to be reduced. He said he was the Secretary to the Committee, which consisted of some 14 or 15 persons, none of whom, however, appeared, except the town sub-magistrate, who, on my asking him if he was a member, said that he knew nothing of it, but that he believed that he had been elected a member, but it was without his knowledge or consent. A crowd of some hundreds of the inhabitants of the town also came to me and begged for remission for their lost crops and for gifts of grain and money, because they said that Mr. Forbes, in the famine of 1866, had given them bags of grain. The crowd, with the exception of some beggars, all seemed well fed and well-to-do. Their claims to remission, I told them, would be considered by the Collector at the proper time, but beyond providing work for those in need of it and willing to work, and food for those who were utterly destitute and could not work, I told them I could not accede to their wishes. They said they were unable to work, because they were ryots, and seemed disappointed at bags of grain not being distributed. I was informed by the Collector that he had heard that in 1866, in some cases, Mr. Forbes had given a bag of grain to each ryot's family, and on reference to the records of the Collector's office I find that, with the sanction of Government, 1,500 bags of rice were given to ryots who preferred to starve in their houses to go to relief houses for food (*vide* G.O., Revenue Department, of 26th June 1866, No. 15,111).

13. On the 9th we went from Ichápur to Chíkati, the chief village in the zemindari estate of that name. Here the zemindar met us and bewailed the loss of the crops on his property; and certainly their appearance all along the road from Ichápur was very discouraging; in fact, I do not think I have seen any place where they were worse. He said that for three years in succession they had had bad crops in the estate, and that for the two preceding years he had had to help his tenants with seed grain, and that he expected this year to be obliged to supply them with the entire quantity necessary for sowing their fields. He doubted if the yield of the harvest would be in excess of the seed actually sown. It struck me here, as it did frequently afterwards during the tour, that the most had by no means been made of the natural features of the ground in the matter of storing water in large tanks for irrigation, for the estate lies at the foot of the Mohiri hills and ought, it appeared to me, to be exceedingly well watered. There were no signs of want among the people whom I saw in the village, which seemed large and populous.

14. The next day we went to Digupudi, the chief village in the Pedda Kimedi zemindari estate. As usual, there was nothing but rice cultivation along both sides of the road. It looked generally green and somewhat promising till near Digupudi, where its appearance altered for the worse. A large number of

villagers from the surrounding villages came to our camp, and among them were a good many beggars, some of whom (principally children) were decidedly emaciated. These were ordered to be fed with cooked food, and for this purpose money was given to the karnam of a neighbouring village who happened to be present, but he went away without seeing them fed, and the duty had eventually to be discharged by a constable through the agency of a Brahmin in the village. One woman, however, whose child was very emaciated, and for whom I had ordered milk to be provided, refused to take anything but money, and walked off indignantly when only offered food for herself and child. We were visited in the evening by the zemindar, on whom I impressed the duty of looking after the poor on his estate, but I very much doubt if he will give them a thought, being a singularly vain and arrogant man, who would think it beneath his dignity to give any attention to such a matter.

15. On the morning of the 11th we went on to Pattupuram, in the Chinna Kimedi zemindari. Here the country was more sparsely cultivated than any I had before passed through. There were here some fields of raggi which looked promising. The Collector, who had been camped here a fortnight before, noticed a marked improvement in the crops during that interval owing to the rain that had fallen. In the afternoon we marched to Sérgáda in the small zemindari of that name. We here, for the first time, came across some of the works connected with the Rushikulya Project. The Executive Engineer in charge of the work, Mr. Wybrow, met us here with his assistant, Mr. Medlicott. Work on this project had been stopped only a short time before, but, in consequence of the Collector's recommendation, the Government had ordered the works to be re-opened, and an allotment of Rs. 30,000 had been made for the purpose only a few days before we reached Sérgadá. In fact, work there had only been again begun the day before our arrival.

16. It may be convenient that I should here give a short description of the Rushikulya Project, so that its adaptability for a famine-relief work may be judged of. The scheme has for its ultimate object the diversion of the water of two rivers—the Mahanadi and the Rushikulya—into a canal which is to be navigable, and also to supply water for irrigating about 120,000 acres of land in the Goomsur and Berhampur taluks. It involves the construction of two large reservoirs, four anicuts, and seventy-three miles of canal, besides a large number of subsidiary works, such as bridges, under-tunnels and irrigation sluices. It may be divided, for our present purpose, most conveniently into two sections—the Mahanadi section and the Rushikulya section—the former including all the works north of the Rushikulya and the latter all those south of it, including the anicut across that river at Janamilli.

17. The Mahanadi section comprises a large reservoir near Russellkonda with an estimated area of water-spread, when full, of four square miles and a maximum depth of 57 feet. The bund of this reservoir will be about 1,600 yards in length and 72 feet high at the lowest point in the valley which it crosses when completed. The stream which it dams up is a small branch of the Mahanadi river, and the main supply of water for the reservoir will be led into its upper end by a channel nine miles long taken off an anicut thrown across a second branch of the Mahanadi called the Gallari. From this reservoir the water is to be let off, when wanted, down the natural bed of the stream which it dams up for a distance of about 12 miles to the point of junction of the Mahanadi with its two affluents just below which is a second anicut from which the canal proper begins and runs for 19 miles through the Government taluk of Goomsur and part of the Dhárákót estate to the point where the third anicut is thrown across the Rushikulya at Janamilli. The Rushikulya section comprises a reservoir to be constructed near Suradá about 15 miles above Janamilli, where another anicut is to be built. This reservoir is to supplement the supply of the Rushikulya, but the details of this portion of the scheme have lately undergone much modification and are not yet finally settled. From Janamilli the canal will run for 54 miles through the Dhárákót and Sérgadá zemindaries into the Behampore taluk and terminate near the sea not far from Gopálpur. The present condition of the works is as follows: a portion of the earthwork of the Russellkonda reservoir dam has been completed for a length of about 2,200 feet and to about half the height to which it is to be raised, but it cannot be raised much higher until the coffer dam, which has to be sunk

across

across the bed of the stream, is put in, and this is a work which requires much care and can best be carried out in the dry weather. When it is finished, the Executive Engineer estimates there will be work available for 5,000 persons for 12 months in the shape of earthwork and stone rivetting. At present about 2,000 coolies could be continuously employed. The anicut across the Mahanadi has five-sixths of the foundation of the body-wall laid, and most of the materials for going on with are ready except bricks, lime and surki. The canal taking off from this anicut has been dug out to its full depth for seven miles. The 8th to 12th miles will afford work for 4,000 coolies for three months, and the 12th to 19th for 4,000 for four months. The masonry works will have to be carried out by skilled labour. The Janamilli anicut has its foundations laid for its whole length and may be completed in its entirety in six or eight months more, as may also the head sluice of the canal taking off from it and all the under-tunnels up to the end of the 10th mile from Janimilli, and in that event water might be let down to this point by June or July next; but as only one irrigation sluice has been yet built and the sites for the others have not yet been selected, there is not much chance of any irrigation from the canal before October 1889. In these 10 miles of the canal there is very little work which common labourers could execute. The sum of Rs. 5,000 would complete it all, while there is no room for anything but skilled labour on the irrigation sluices and under-tunnels. In the 11th and 12th miles of the canal from Janamilli occurs the heavy Sérgadá cutting. This is a cutting of perhaps a mile long through rising ground containing a great deal of rock. The cutting in its deepest part will be 36½ feet to canal bottom level, and on this work there is probably work for 2,000 labourers for two or three years even if assisted by a steam-crane for lifting heavy masses of stone out of the cutting, but if, in view of providing labour for distressed persons, manual labour is ordered to be substituted for the steam-crane, from 4,000 to 5,000 could be employed in breaking up the large pieces of blasted stone into small pieces and carrying them out of the cutting. Until this cutting is finished, the canal will be useless beyond it, so that it will be good policy to get as much labour on it as possible and so get it finished quickly. From the 12th to the 18th mile of the canal, the earthwork is nearly completed, and there is little room for employing labour, but on the 18th to 34th miles about 4,000 labourers could be employed on earthwork for five months. The earthwork of the 35th and 36th miles has been completed down to the point where the canal is to cross the road from Berhampore to Aska. Beyond that point nothing can be done, as the land has not yet been taken up by Government though the survey and levels of the canal have been completed, so that this portion of the canal is at present useless as a possible relief work.

18. While at Sérgadá, I was waited on by two vakils of the Aska District Munsif's Court, who represented themselves as members of a standing committee elected at a mass meeting of the inhabitants of Aska and the surrounding villages in order to represent the condition of the district. They presented me with an address in which they urged the necessity of opening relief works and poor houses. They also requested me, in judging of the extent to which crops had failed in the district, not to take into consideration the rains which had recently fallen. I was rather doubtful from the fact of their coming out, as they did, 10 miles from Aska to meet me, whether they were really as representative as they would have me believe, and on reaching Aska the next day, I learnt from Mr. Minchin, who is certainly the principal inhabitant and greatest employer of labour in Aska and its neighbourhood, that neither he nor any of his people were present at the meeting or heard anything of it at the time and that it was really an insignificant affair.

19. From Sérgadá we went to Aska, and the following morning, accompanied by the Executive Engineer, I inspected the works at Janamilli. I found about 50 or 60 people at work blasting the rock in the canal bed at the site of the head sluice and removing it to the river, where it was laid down to form a foundation for the apron of the anicut.

20. The crops near Aska, especially those within the influence of irrigation from the river, were looking very well, but beyond that influence there was much

much that would certainly fail. There was a great collection of beggars in Aska. These, it seemed, were brought together by the exertion of the same small number of vakils and others calling themselves the Aska Safety Committee who had sent me the address to Sérgadá. They had sent round men with tom-toms to gather the beggars out of all the neighbouring villages for my inspection. It was a painful sight to see some hundreds of such people gathered together, but there was much less appearance of want and emaciation among them than I was led to expect I should find prevalent, while the condition of the ordinary population was perfectly normal.

21. From Aska we proceeded to Russellkonda, and there I examined the reservoir works. I found them and the whole of the canal works, of what I have called the Mahanadi section, under the executive charge of a native engineer, Mr. Venkata Reddi Naidu, an officer of much experience and energy, who had served in Orissa in the famine of 1866, and in the Bengal famine of 1874, so that in case of famine relief works being carried on he will be particularly useful. I found that work had been begun again on the reservoir on the 9th, and that on that day 95 persons had come to work, and on the day of my visit this number had increased to between 500 and 600. The crops in neighbourhood of Russellkonda were good and were beginning to be harvested, but about seven miles from Aska, and for some miles to the northward, they were very bad. The general appearance of the people was good. A numerous body of the townspeople of Russellkonda, headed by a pensioned tahsildar, waited on me at that place with an address and urged the re-opening of the Rushikulya project works on a large scale, the grant of gratuitous relief and of loans to cultivating classes with gifts of money and grain, the supply of food-grains by Government officers if merchants fail to supply it, and some other points, to all of which I replied suitably. They were evidently much concerned at the high prices that had been ruling and the grain robberies that had taken place, and were anxious to get remission of assessment in consequence of their crops having failed. The deputation had a highly respectable and well-to-do appearance, and no donbt included the majority of all the ryots of the town and its immediate neighbourhood.

22. Before leaving Russellkonda, Mr. Wybrow, the executive engineer in charge of the Rushikulya project, told me he was quite prepared to take on as many workpeople as offered themselves on the works, and had indented for more overseers and a large supply of tools. All he was at all anxious about was money. If kept in funds he said he should experience no difficulty in carrying on work in the ordinary manner with the full number of workpeople capable of finding employment on the works. I think that if a lakh of rupees is placed at his disposal for the purpose he will find that sum amply sufficient for the next three or four months, and I recommend that it be so placed at once; and as I understand that 3½ lakhs have been budgeted for in next year's Budget for the project, this sum will become available on the 1st April and enable work to be carried on vigorously till the cultivation season begins, when the labourers will leave the works.

23. From Russellkonda we marched *viâ* Jelliba to Ballapadra through a charming country. The crops were good near Russellkonda, but got worse at intervals near Jelliba, and between that place and Ballapadra. At the latter place a crowd of ryots, headed by one or two Brahmins, presented themselves and represented their grievances. There was, I think, a good deal of attempt at imposition by these people. The spokesman, who said they were so poor that they had to borrow the cloths they had on to appear before me, was a particularly stout, well-fleshed man, clad in a fine rose-coloured cloth, and few, if any, of those with him looked badly off. He admitted he himself was not starving, but said those he represented were so; but when asked where they were he could only point to a few beggars. One particularly noisy complainant was a sleek blind Brahmin, who was evidently forgetful that his infirmity rendered his evidence of little value. The majority of the crowd seemed to me to have come, as the majority of crowds often does, to see the fun; and though no doubt their complaints of loss of crops were well founded, their appearance quite belied the allegations as to their being starving. The few beggars in the crowd,

crowd, to whom food was offered, declined to take it; one man in the crowd shouting out that they would not take it though cooked by a Brahmin.

24. Between Ballapadra and Boirani, our next camping place, the crops were worse almost than any seen before, although this is, I was told, a part of Goomsur, which usually produces excellent crops. At Boirani we were in the Atagadá zemindari, which, the Collector informed me, is considered one of the most fertile portions of the whole district. It now forms part of the Kallikót zemindari, having been purchased by a late zemindar at auction some few years ago. The combined estate is under the charge of the Court of Wards at present. It seems to be badly in need of roads, those most wanted being one from Kallikót direct to Boirani, and another from a point about half way between the two to Buguda in Goomsur, to meet the road from Ballapadra to Kurucholi. If relief works are opened hereafter in the estate, one or both of these two roads might be put in hand with advantage.

25. From Boirani we proceeded to Purushottapur, in the Berhampore taluk, which is a large village with a police station, and the head quarters of a deputy tahsildar. This officer informed me that he had inspected the lands in most of the 129 villages in his division, and estimated that 8,800 acres would give a five-sixth crop, and about 16,000 acres no crop at all. None of the 6,700 rain-fed rice lands would give any yield in his opinion. Mr. Lever, the Deputy Collector in magisterial charge of part of the Berhampore taluk and Kallikót, also came to see me here, and said that, in his opinion, the crops in Kallikót were better than those in Atagadá. The Public Works Department overseer in charge of the works in the Kallikót-cum-Atagadá zemindari also visited me, but as he had not got some papers I wanted to refer to, I arranged that he should visit me at our next camping ground, as he was travelling in the same direction as we were.

26. This camping ground was near a small village called Biridi-Gopálpur, in the Biridi zemindari. Here a considerable body of weavers from a neighbouring village called Munshipet presented themselves and asked for advances to enable them to work. They said that it took three men to work a loom, and that if Rs. 30 was advanced them for each loom, they could adjust it monthly by an outturn of cloth of that value. The Public Works Department overseer, alluded to in the preceding paragraph, also appeared. His name is Prakasa Mudali. He told me he had been appointed to his present charge in August last. Being a member of the Court of Wards, under whose charge the zemindari is, I questioned him as to the state of works in it. He informed me that he had carried out the petty earthwork repairs to 25 tanks, which had been breached by the heavy rains of August last, at a cost of Rs. 3,239, besides some repairs to buildings. The works had been recently carried out by contractors, but had not all been measured up and paid for. He had, he said, just received the district engineer's orders to carry out all works departmentally in order to admit of their affording as much employment as possible to the people in the zemindari. From a letter from the district engineer to him of a recent date, it appeared that the allotment for expenditure out of estate funds in the zemindari during the year was Rs. 25,000, and that of this sum only Rs. 341 had been spent up to the end of September. He had received orders from the district engineer to send in at once a rough estimate for expending Rs. 10,000 on the continuation of the four miles of road connecting the coast road with Kallikót on to Boirani, calculating the distance from the map of the district; but instead of doing this he had sent in an estimate which he had by him for widening the above four miles of road, at a cost of Rs. 10,000, and had argued the point whether it would not be a better work for affording labour to people requiring it than the road ordered to be estimated for by the district engineer. The consequence will probably be that his estimate will be returned, and that there will be a delay in beginning the roadwork which the district engineer ordered and which the Collector asked for. From a Public Works Department Government Order which the overseer showed me (dated 15th September 1888, No. 2915), I find that several subordinates of the department in Ganjam had been found to be incompetent, and had been recently replaced by others believed to be more capable. The overseer I met was probably one of the latter (as he was only sent to this district in August

last), and I can but express my hope that the belief in his case is well-founded, but he is certainly one of the most lethargic men I ever met, and was quite at a loss how to make the rough estimate called for by the district engineer. If relief works have to be carried out in the zemindari, I do not think he has the energy to supervise them.

27. The next day (the 21st) we went *viâ* Humma and Ganjam to Chatrapur, thus completing a tour of about 200 miles. The crops which I had seen 15 days before along the portion of the trunk road between Humma and Ganjam had improved in appearance, but their outturn will still, I fear, be very poor. We found strings of carts going to the place where boats coming from Orissa, *viâ* the Chilka Lake and Coast Canal, discharge their cargoes of grain about four miles from Chatrapur. This trade seems therefore to be still active.

28. On return to Chatrapur I requested the district engineer, Mr. Subrayachari, B.C.E., to bring me the plan of the proposed canal from Ganjam to Gopálpur. He did so, and I examined them with him. The canal will be 11 miles long, but of that distance rather more than half (about 6½ miles) will run through tamparas (fresh-water lagoons), which have now a depth of five or six feet, and are only dry in the middle of the hot weather, so that there are only 4½ miles of earthwork in the shape of excavation or cutting on dry land available for working on at once in case of need. This is a simple work, and much of it being in sand would afford labour of an easy description. The earthwork is in two sections, one near Gopálpur and the other near the point where the canal will join the creek running into the Rushikulya river. The district engineer considered that 2,000 coolies could be employed on each section for five months, and that the work would entail an outlay in wages of about Rs. 60,000.

29. I now proceed to record the conclusions at which I have arrived, as the result of my tour and of the inquiries I have made since I have been in the district, as to its condition:—

(1.) I do not consider that there is any famine, that is any general failure of food supply, anywhere in that part of the district which I have visited, nor do I consider any such failure as likely to occur, at any rate for some months. Although the south-west monsoon rains here were neither timely nor plentiful, the ragi and gingelly harvests in September and the beginning of October were generally fair, and in some parts, notably in the Purushottapur division, very good. The rice crop, which is the principal crop of the district, is planted in June and July, and reaped in all December, and though it was backward in the beginning of October, the harvest would probably have been of quite normal quality had the north-east monsoon rains fallen in the beginning of October, and been abundant. As it was, however, they were two or three weeks late, and the prospects of the harvest became consequently very bad. The grain merchants, who apparently had begun to be nervous about July or August (as evidenced by the cessation of grain exports by sea), at once raised their prices at a bound, and a general panic set in that there would be a famine. Simultaneously began the extraordinary series of grain robberies in the Vizagapatam and Ganjam districts, which added to the feeling of alarm. I am inclined to think that the grain supply of the district is at present nearly normal. The grain merchants of Berhampore, whose interest it is to justify their own action in keeping up prices, admitted to me that there was enough for four or five months, and though they said that this was after giving credit for the approaching harvest, I doubt whether they have given sufficient credit either on that account or for existing stocks; for it must be borne in mind as regards these latter that up to the end of June we have reason to believe them to have been normal, and their amount would obviously not be in any way affected by the character of the growing rice crop until that crop was harvested, which will not be till next month, and the only drain on them in the interval would be that which may have arisen from the ragi harvest being rather short, but this would probably be only

only a small amount. On the other hand, the imports from Orissa fell off in June, July and August, but simultaneously the exports from Gopálpur fell off too, and the one would, at any rate to some extent, have counterbalanced the other. I have given the statistics of exports from Gopálpur by sea for 1888 in paragraph 5 *supra*, but the imports from Orissa are only checked at Rumbah and not on the coast canal, so that my information as regards them is incomplete; but, so far as it goes, I give it in the margin. What exports there may have been by road to Vizagapatam since June, I have no means of knowing, but the Collector thinks they were considerable. As regards the coming rice-harvest, my own impression is that there will be on an average a three-eighth yield all over the area of irrigated wet land,† and to this has to be added the dry crop harvest yet to be gathered from the black, red, green and horse grams and the castor-oil crops, now growing and doing well. Moreover, prices have fallen during the current month from 10·01 to 12·33 seers per rupee of second-sort rice, and 20·75 to 24 seers per rupee of ragi, and they are, I think, likely to fall still lower, or at least to remain stationary till the rice-harvest is over, about the end of December or beginning of January, for the Collector of Godávari has just wired to me that new rice is selling at Cocanada at from Rs. 4-2-0 to Rs. 4-4-0 a bag with a downward tendency, and, if the merchants are correct in what they told me, this will send down prices here still further. If they begin to rise slightly in January, but if imports by land and sea do not then begin to increase, I think it may be assumed that local stocks are sufficient to last till the next monsoon at any rate; but, if prices rise fast and imports increase rapidly, then it may be assumed that stocks are short and in that case labourers will probably begin to crowd to the public works in progress, and distress will become severe.

Month.	Exports from Gopálpur during 1888.		Imports by Road and Lake at Rambah during 1888.	
	Rice.	Paddy.	Rice.	Paddy.
	Cwts.	*Cwts.*	*Cwts.*	*Cwts.*
January	4,088	–		
February	9,692	–	Figures not available.	
March	23,509	–		
April	26,410	–	1,359	3,562
May	10,487	–	604	3,796
June	2,312	–	–	1,400
July	147	–	–	711
August	–	–	–	637
September	*	–	59	1,800
October	–	–	956	13,064
November	–	–	1,378	*2,593

* Up to the 24th November.

† The Collector's estimate is a one-fourth yield.

(2.) That the high prices of food-grains and the prospects of a bad rice harvest have caused much distress, there can be no doubt. The classes who feel it most are beggars who subsist on charity, day-labourers, and weavers. These classes will need assistance first; the beggars, because in times of high prices the usual charity that keeps them alive ceases and they run great risk of death by starvation; the labourers, because they either get no wages for field work, which owing to the bad season is little in demand, or, if paid in money, is insufficient to maintain them; and the weavers, because their industry, as a means of subsistence, thrives only when there is a brisk demand for cloths, while in times of high prices poor people have to deny themselves such luxuries; so that they can get no work to do and are unable to take to earthwork, as it tends to destroy the sensitiveness of their fingers on which so much depends in weaving. That the distress now existing is likely to increase if prices rise much in the course of the next six months is, I fear, too probable, and I therefore now set out the recommendations I have to make in view to meeting it.

30. I have not considered it necessary to exercise the powers vested in me to order the immediate commencement of the Rushikulya project works as a famine-relief work under the rules prescribed by the Famine Code for professional agency works, because it appeared to me quite sufficient, for the present, if the works were carried on as Public Works Department works in the ordinary

manner; and as the Government, in the order appointing me, directed that the staff employed on the project should be retained pending further orders, and placed the Executive Engineer in funds to the extent of Rs. 30,000, I have merely requested that officer to arrange to receive all able-bodied applicants for labour who came to him, to carry on work in the ordinary way, to indent for a large supply of tools, and to arrange with the Collector for supplies of small coin in case daily payments should become necessary. All this has been done, and between the 9th instant, when Russellkonda reservoir work was recommenced, and the 24th instant, the total number of workpeople who have come to the canal works is 2,552.* Should the number largely increase and the task of daily payments become necessary, the Famine Code rules can be applied to the works without the slightest difficulty from any given date.

*Russellkonda reservoir - - - -	1,060
Nimina cutting - - - - -	280
Sérgadá cutting - - - - -	912
Janamilli anicut - - - - -	270
Total -	2,522

31. I also think it advisable that steps should be taken at once to begin work on the Ganjam-Gopálpur canal as an ordinary Public Works Department work. If there is much distress in the district, there will hardly be room for all people applying for work on the Rushikulya project works, which are, moreover, a long way from the coast, while, if work is begun at both ends of the coast canal, there will be wages available for all those willing to apply for work throughout the eastern portion of the district. Should these two large works not afford sufficient employment for the persons thronging to them, there are some lines of road which I recommend as subsidiary works—

(1.) The completion of a road from Berhampore to Digupúdi, about 10 miles.

(2.) A road from Digupúdi to Pudamari at the foot of the Maliahs, about 10 miles.

(3.) A road from Suradá to Russellkonda, about 16 miles.

(4.) A road from Sérgadá to Bodogoda and on to Suradá, about 26 miles.

(5.) A road from Russellkonda to Jagannadhaprasad, about 14 miles.

(6.) A road from Jagannadhaprasad to Korcholi, about 10 miles.

(7.) A road from Kallikót *viâ* Atagadá to Boirani, about 23 miles.

(8.) A road from Atagadá to Bogoda, about 15 miles.

(9.) A road from Babanda to Injilli, about 8 miles.

32. The Collector has issued orders in accordance with the Famine Code to have registers of helpless persons, who are unable to work, prepared, and tahsildars and deputy tahsildars have received instructions to check these carefully, and to distribute the doles sanctioned by the Code, when the price of rice exceeds the scarcity rate, to such persons as are eligible to receive them in their own villages, so that the case of the beggars has already been taken in hand.

33. The weavers remain to be dealt with. I think that the Collector should be put in funds and empowered to make advances to the weavers of Berhampore and other villages, who cannot get work, to the extent of 30 rupees per loom when the price of rice at Berhampore is as high as, or higher than, the scarcity rate. The advances should be adjusted in full by cloth of that value being given up to some Government officer before any fresh advance is made. Such an advance will probably last a family a month. Great care will have to be exercised to see that advantage is not taken of these advances to sell Government quantities of old cloths in stock, and it would perhaps be a good plan if the Government were to send the Collector specimens of tent or other cloth to be woven. A local committee should be appointed for the district, on which the head of the weaver caste at Berhampore would probably be willing to serve, as he is a man of influence and education, and through his instrumentality all the contracts could be made and advances adjusted without loss to Government.

From the report made to me by one of the municipal councillors of Berhampore, alluded to in paragraph 11 *supra*, it appears that there are 381 weaver families in that town with one loom each, and all out of work. About 10,000 rupees a month would keep these all going, and probably another 5,000 rupees a month would suffice for the weavers in other parts of the district; but I am not in a position to speak with certainty on the point. For six months probably a lakh of rupees might be required, and the cloth made would have to be sold to recover this amount. As soon as rice is cheaper than the scarcity rate, and so long as it remains so, the advances should not be made.

34. On first arrival at Chatrapur I called on the Deputy Inspector General of Police (who had travelled with me from Vizagapatam to Gopálpur) to state whether any additional police officers were wanted, and he replied that none were needed. In the matter of police, in an emergency, Ganjam is very well off; for, besides having nearly as large an average of constables to population (1 to 1,517) as the whole Presidency (1 to 1,468), the Collector can call out the Gumsúr paiks, an efficient and reliable set of men numbering six sirdars, 69 naiks, and 1,244 paiks, besides some 600 or 800 paiks belonging to the different zemindars in the district.

35. I also asked the Collector if he needed any of his establishments being strengthened. He only wanted three additional temporary magistrates, for whom I telegraphed to Government, and their appointment was sanctioned at once.

36. In a report to the Revenue Board, dated the 25th October 1888, No. 5175, the Collector made the following proposals in consequence of the character of the season:—

(1.) To levy dry assessment on wet lands cultivated with dry crops.
(2.) To suspend the issue of coercive process.
(3.) To grant remissions in respect of rain-fed lands.
(4.) To strengthen the magistracy and police.
(5.) To improve the telegraphic communications of the district.
(6.) To re-open the Rushikulya works.
(7.) To give advances to weavers.
(8.) To import grain on Government account.
(9.) To exempt grain imported by sea from landing fees as a temporary measure.

The first three matters have been disposed of by the Board and Government, and the others were referred to me for my remarks. I have disposed of the 4th, 6th and 7th in the preceding paragraphs, and I now propose to notice the 5th, 8th and 9th suggestions.

37. The Collector's proposals in connection with the improvement of the telegraphic communications of the district are (1) that Russellkonda should be connected with Aska, (2) that the offices at Aska, Gopálpur and Chatrapur should be strengthened and kept open till at least 8 p.m.

38. I recommend that a telegraph office of the third class be opened at Russellkonda. It is an important station in the centre of the largest taluk in the Presidency, namely, Goomsur, which is nearly 1,600 square miles in area, inclusive of the Goomsur Maliahs. It is, moreover, the head-quarters of the special assistant agent during half the year, and there is a large jail there. It was once a military cantonment, where a regiment used to be quartered, and though this is no longer the case, it is a large place, and should be in telegraphic communication with the Collector's head-quarters. I also recommend that Balliguda, the special assistant agent's head-quarters in the Chinnakimedi Maliahs, be connected by wire with Russellkonda, and that communication be maintained by means of two of Wheatstone's house telegraphs if the distance (70 miles) does not debar their use. They are simple instruments which any one who knows the English alphabet can work with half an hour's tuition. One instrument should be kept in the special agent's house at Russellkonda, and the other in his house at Balliguda, and be worked by himself or one of his clerks. In case of any emergency in the Maliahs such a means of quick com-

munication would be of great value, and there would, I believe, be no expense in connection with the up-keep of the machines or their working.

39. The three telegraph offices at Aska, Chatrapur and Gopálpur are combined postal and telegraph offices. The Gopálpur office is a second-class office, while the two others are of the third class. At the second-class office the signaller has nine working hours a day, at the two others only seven. At Gopálpur both the postmaster and the signaller can receive and dispatch messages; but this is not so at the two other offices. An assistant signaller has been sanctioned for Gopálpur on 15 rupees a month, but for the last three months the appointment has remained vacant. The working hours at Chatrapur are from 10 a.m. to 5 p.m. daily on week days, but on Sundays from 7 to 9 a.m. and from 4 to 6 p.m. Besides this, the signaller has to come to the office daily from 6 to 7 a.m. and from 7 to 8 p.m. to see if any messages have been received. At Aska the hours used to be the same, but were changed at the request of Mr. Minchin, who guarantees a minimum revenue from the office. There they are from 7 to 11 a.m. and from 3 to 6 p.m. on week days, and on Sundays from 7 to 9 a.m. and from 4 to 6 p.m., with a visit daily at 8.30 p.m., to see if any messages are awaiting receipt, but not to dispatch any. During the last six months the number of telegrams received and dispatched at each of the offices is as shown below:

Stations.	Received.	Dispatched.	Total.	Daily Average.
Gopálpur - - - - -	1,076	1,876	2,952	16
Aska - - - - - -	758	670	1,428	7·6
Chatrapur - - - - -	636	643	1,279	6·9

40. I think that if an assistant signaller, as already sanctioned, is sent to Gopálpur, and if good instruments are supplied to all three offices (those in use being, so I am informed, very old and almost useless), there is no need of any addition to the establishment, but I would recommend that the Postmaster General be requested to direct a change of office hours at the Chatrapur office similar to those now in force at Aska, and that messages be received for dispatch and sent off daily (Sundays excepted) between 8 and 8.30 p.m. at all three offices. This, I think, will meet all the circumstances of the case. I may mention, in connection with these offices, that postage stamps are used to denote the fees paid instead of telegraph stamps, as a commission is given to the postmaster on all postage stamps used, but none on telegraph stamps. The consequence is that receipts for messages dispatched have no stamps on them.

41. I do not think there is any necessity at present to import grain on Government account. If, hereafter, there is scarcity of food in the Maliahs, the Government must buy grain and send it up for the use of the police, and to pay labourers on relief work, for the Khonds do not use money, and the low-country grain merchants, I am informed, cannot be depended on to supply the Maliah tracts.

42. I think grain landed by sea should be exempted from fees when imported by sea, as a temporary measure, as proposed by the Collector. The port of Gopálpur is not an easy one to land goods at at the best of times, and if the surf is heavy it is almost impossible to do so; while the pier, in its present state, is quite useless for trade purposes, as the surf breaks beyond the pier-head.

43. Shortly after my arrival Colonel Kilgour, the Deputy Inspector General of Police, applied to me to have famine batta granted to the police. I had no power to do this and referred the matter by telegram to Government, who replied that under the Government of India Resolution of 22nd March 1870, No. 1915, Financial Department, raggi must be taken as the grain, the price of which must regulate the grant of famine batta in Ganjam, because raggi is used

as

as much as rice by the poorer classes and is "the cheapest grain of any kind commonly used by the people." This ruling is no doubt in accordance with the Government of India orders, but I trust I shall not be considered wanting in respect if I venture to say that there seems to be little connection between the price of the cheapest food commonly used by the people of a district and the question whether the servants of Government in such a district are unable to buy enough of the food they ordinarily eat with their pay, unless it be one of abstract economy. If the servants of Government are in the habit of eating the cheapest food commonly used by the people, or could take to it in times of famine without risk of ill-health, there might be no room for questioning the equity of the ruling, but it is not so. In this district, and I believe in most others in this Presidency, all the Government servants eat only rice, and I therefore respectfully submit that in fixing the price of grain which shall justify the issue of famine batta to them it is only reasonable that the price of rice should be taken. If the prices of rice and raggi rose and fell together proportionately, the fixing of the price of one of these grains as a standard would be tantamount to fixing that of the other also, but this is not so. The price of rice may rise when that of raggi falls, and then the officials would be worse, rather than better off. I therefore suggest that the question be reconsidered.

44. In connection therewith it seems also necessary to fix a standard price of some one grain as the scarcity rate of each district. I do not see why the famine batta standard for Government servants should not be taken for every one alike, and a rule be laid down that when that standard is reached, village relief and gratuitous relief in poor houses may be begun and not before, and that they are to cease when it falls below that rate, with discretion, of course, to Collectors to continue to deal with existing recipients of such relief, at the time of the fall of prices, as long as they may consider it absolutely necessary.

GANJAM SCARCITY RATES.

	Seers per Rupee.
Rice - - -	11·2
Cholam - -	14·7
Raggi - - -	16·6
Cumbu - -	15·4

The Revenue Board, in some papers sent to me just before I left Madras, gave me a statement showing the marginally-noted scarcity rates for Ganjam. I do not know how they were worked out, but it is quite useless having more than one scarcity standard. When that standard is reached, it may be assumed that all others are proportionately high, and that famine batta, village relief and gratuitous relief in poor houses are probably needed.

45. There have been no official reports of deaths by starvation, but one complaint was sent to the Collector by post, early in November, purporting to be signed by some inhabitants of the village of Koratoli, about four miles from Chatrapur, stating that five people had died of starvation in the village, and asking for relief works, gratuitous relief and grants of money and food. Mr. Horsfall referred it for inquiry to his assistant, Mr. Elphinstone, with instructions to go to the village and investigate the truth of the statement. That officer went to the village, and after an oral inquiry, reported briefly that it was true that the people had died. This not being quite satisfactory, I requested Mr. Horsfall to order further inquiry, which was again carried out by Mr. Elphinstone, who, this time, recorded statements from the village karji and karnam, giving the names of the individuals and stating that they had died of starvation, and that the fact had been reported to the Deputy Tahsildar. It struck me as curious that five people should die all at once, as it were, in a village in that way, and no more since, and that the Deputy Tahsildar should not have made a special report of the matter, so, on return to Chatrapur, I went to the village myself, accompanied by Mr. Elphinstone, and asked the Collector to order the Deputy Tahsildar to meet us there, and on examining the karnam's books I found that the five people alluded to were entered in the birth and death account as having died of fever and at considerable intervals during the month of October. The Deputy Tahsildar unfortunately did not arrive till we had left the village to return, but he afterwards stated to me that he had never received the report alleged to have been sent to him, while the village dandassi who was stated to have carried it denied, before the karnam's face, that he had ever been given it. Moreover, the karnam in a report of the 20th November, reporting two or three deaths in the village in that month, began by

reciting that on the 16th of the previous month he had sent a report about the five deaths by starvation, a quite unnecessary proceeding if he had really sent it. One of the persons so alleged to have died proved to be a woman having three grown-up sons who are joint pattadars of land for which they pay Government 60 rupees assessment, and all have employment as barbers. One of them told me his mother died of old age, being 70 years old. The whole story was, in fact, an invention to impose on the Collector and get money spent in the village.

46. There is one incident to which I think it right to allude before closing my report, and that is the extraordinary outbreak of grain robberies which took place in this district in the latter part of October. They were not confined to this district, however, for Colonel Kilgour, on embarking at Vizagapatam, showed me a statement of 29 such robberies which had been reported in that district about the same time. I append a comparison of the dates on which they occurred in the two districts, which shows curious and startling results. There is no doubt whatever that in both districts an impression seems to have prevailed, for which there was not, of course, the least real foundation, that the Government and its officers approved of the looting that went on. Personally, I cannot help thinking that the idea was suggested and disseminated by some mischievous person or persons for their own ends or to embarrass the Government. It is difficult to understand how the people could be so foolish as to believe such a thing, but experience has repeatedly proved that in India such ideas are spread with wonderful rapidity and are readily believed; and that there has been some influence at work endeavouring to unsettle the minds of the people of this district, and possibly of others, is proved by the fact of a printed Telugu circular, of which a copy was given to me, and which I now inclose for the information of Government with a translation, which though ridiculous enough on the face of it contains allusions to a date when a new ruler is to appear and great things may be expected, which is quite sufficient to put a credulous people on the *qui vive*, and to make them look out for anything that may happen as an opportunity for causing a disturbance, if so inclined. There is a date in March next alluded to in the paper, and the corresponding date in the Tamil month Masi is also given, which seems therefore to show that the paper originated in the south of this Presidency.

Month and Date.	Ganjam.	Vizagapatam.
	No.	*No.*
12 October -	1	1
13 „ -	1	–
14 „ -	1	–
15 „ -	–	–
16 „ -	–	–
17 „ -	2	6
18 „ -	–	4
19 „ -	8	2
20 „ -	20	–
21 „ -	40	1
22 „ -	34	2
23 „ -	31	6
24 „ -	26	2
25 „ -	14	5
26 „ -	9	–
27 „ -	3	–
28 „ -	1	–
29 „ -	2	–
30 „ -	–	–
31 „ -	–	–
TOTAL -	193	29

47. In conclusion, I may say that having been in nearly every district in the Presidency, I have never seen anything to surpass for general beauty of scenery and potential fertility, much of that part of the Ganjam district through which I made my tour. The district seems to me to have been singularly favoured by nature. Hill ranges or isolated hills appear on every side with large expanses of gently sloping country between, offering abundant positions for large irrigation tanks capable of irrigating 500 or 1,000 acres of land each, which, however, are strikingly conspicuous by their absence. In nearly every village, if there is a tank, it is a miserable little affair, no better than a pond, incapable of irrigating probably more than 20 or 30 acres for two or three months, and hardly worth supplying with a sluice and calingula. As a rule none of them have these regulating works, and it is the custom when water is wanted from the tank to cut the bund and let it off by degrees. Wells, too, are almost unknown. They do exist in some places, and it is generally by means of well irrigation that sugar-cane cultivation is carried on; but the wells are very small, and the picottas and little earthenware pots used with them would make a Tamil ryot smile. There is no lack of cultivation, but its character seems to leave much to be desired, if the experience and statistics of the Revenue Settlement Department are to be trusted, for I find that in a recent Proceedings* of the Revenue Board on the proposed settlement of the neighbouring district of Vizagapatam it is stated that the grain values adopted for paddy in the

* Board's Proceedings, Revenue Settlement Department, dated 24th September 1888, No. 525.

the Revenue Settlement of the Ganjam District were the lowest of any yet made (that is, of 14), and ranged from a maximum of 800 Madras measures for the best soil in the highest class of villages to a minimum of 420 for the worst soil in the lowest; and yet paddy is the one crop almost universally grown. Indeed, in my opinion, there is far too much land so cultivated, and it is hardly too much to say that this cultivation, in the absence of proper irrigation, is a distinct misfortune to the district, for if all the rain-fed lands on which precarious rice crops are grown were cultivated with dry crops there would be far less chance of their failing, and they might nearly always be cultivated with two crops in the year instead of only one. On the other hand, to counterbalance the natural advantages I have mentioned, there are some disadvantages. The district is shut in on the west by a range of hills without any through communication to the Central Provinces which lie beyond; it has a heavy surf on its coast which makes the landing of passengers and goods at its principal port, Gopálpur, a task of difficulty, and often of danger, which has in no way been lessened by the construction of the present pier, while its distance from Madras, the absence of railway communication, and the dual vernaculars, Uriya and Telugu, cause it to be shunned by nearly all officials who can keep clear of it, and leave it with a staff of native subordinates, who, as far as I have been able to judge of them, seem to be considerably below the standard in the districts further south, and this, too, in spite of the fact that both food and labour are ordinarily cheaper in Ganjam than in any other part of the Presidency.

48. I leave this the day after to-morrow for Tekkali and Parlákimedi, whence reports of some distress have been received, and will report further on the condition of that part of the district after I have visited it.

ORDER—dated 12th December 1888. No. 860, Revenue.

Miscellaneous.

By the Order read above, Mr. Garstin, Acting First Member of the Board of Revenue, was deputed to proceed at once to Ganjam, and report, with as little delay as possible, on the exact condition of affairs; he has now submitted a very clear and concise account of the state of the district, and has placed Government in possession of sufficient information to enable them to form an opinion on the situation, and to come to a decision as to the action required. His Excellency the Governor in Council desires to record his appreciation of the manner in which Mr. Garstin has discharged the duty with which he was entrusted, and to thank him for his excellent report.

2. Mr. Garstin shows by statistics that the current season in Ganjam has proved exceptionally unfavourable owing to the failure of the south-west monsoon; there was a very large decrease in the breadth of cultivation, and exports of grain suddenly ceased. The years 1884–85 and 1885 were also unpropitious, but the last two seasons have been favourable. The early dry crops were generally fair, notwithstanding the short rainfall, but Mr. Garstin estimates that the rice crop, which is the main staple of the district, will yield not more than $\frac{3}{8}$ths of an average crop over the whole area of irrigated land. The Collector's estimate is one quarter.

3. Mr. Garstin saw no signs of starvation among the people during his tour of some 200 miles, except in the case of the professional beggars, some of whom were emaciated. The general appearance of the people was satisfactory, and the reported cases of death from starvation were not established by any trustworthy evidence.

4. Mr. Garstin considers that there is as yet no famine, that is, no general failure of the food-supply; nor does he consider that there is any reason to apprehend such failure, at any rate for some months. That the south west monsoon was likely to prove a failure became apparent about July or August; exports of grain ceased, prices rose rapidly, a panic arose, and there was an outbreak of looting; but Mr. Garstin thinks that stocks of food are not abnormally low, and that, with the produce of the harvest of the rice crop and

of the later dry crops, there is every reason to hope that the people will be able to tide over the interval until the next harvest. The price of rice has fallen in the Godávari district and local stocks can be replenished from that source, but if they should prove to be inadequate, and importation has to be resorted to on a large scale, there will be a sharp rise in prices and severe distress will be experienced. His Excellency the Governor in Council accepts Mr. Garstin's conclusions, which appear to be based on good grounds; the state of the stocks of food will be disclosed by the course of prices during the next few weeks, and in a month or two it will be possible to determine, with more certainty, to what extent relief is likely to be required.

5. Mr. Garstin's recommendations are —

(*a.*) That the Mallada Tampara Project, which is described in G.O., dated 4th March 1875, No. 355, estimated to cost 18,000 rupees, should be undertaken without delay as a protective work.

The extravagant demands of the Biridi zemindar appear to have been the cause of the delay which has occurred, but in a recent letter the Collector reported that the zemindar is willing to come to any arrangement that Government may consider reasonable—*vide* G.O., dated 19th January 1886, No. 36. Inquiry will be made in the Public Works Department as to what action has been taken in the matter with reference to the Order above quoted. It is desirable that a settlement should be arrived at speedily with a view to the work being commenced.

(*b.*) That the works connected with the Rushikulya Project should be kept open as ordinary Public Works Department works for the employment of all labour which offers itself, and that a lakh of rupees be allotted for expenditure during the remainder of the current year.

This project will give employment to some 20,000 labourers for the next four or five months, and a smaller number may be employed for a further period on certain sections of it. To a large extent, however, the work is suited only for skilled labour. If necessary, these works can at any time be managed as famine relief works. The Executive Engineer in charge should be instructed, in the Public Works Department, to arrange to afford employment at as many points as possible, and to take on all labourers who present themselves and are fit to work. The grant for this work has recently been raised by 13,000 rupees, *vide* G. O., dated 1st December 1888, No. 721-I—A, Public Works Department, making the sum available 43,000 rupees; this will suffice for the present, and if further funds are required before the 1st April, when the grant of 3½ lakhs for 1889-90 becomes available, application should be made by wire, and funds will be granted to the extent necessary.

(*c.*) That the Ganjam-Gopálpur Canal be put in hand at once as an ordinary Public Works Department work.

This scheme will give employment to about 4,000 coolies for five months, and an allotment of 60,000 rupees will, in Mr. Garstin's opinion, suffice. His Excellency the Governor in Council approves the immediate execution of this project, and orders will be issued in the Public Works Department for the provision of the requisite staff. An allotment of 30,000 rupees will be made to meet present requirements.

(*d.*) That should the Rushikulya and Canal works not afford sufficient employment for all who seek it, the construction of certain lines of communication, which will serve to open the country, should be undertaken.

The Collector is authorised to select one or more of the roads specified in paragraph 31 for execution, if the necessity should hereafter arise.

(*e.*) That village relief, on the scale prescribed by the Famine Code, should be afforded to helpless persons when the price of rice exceeds the scarcity rate.

(*f.*) That

(*f.*) That advances be granted to weavers to the extent of 30 rupees per loom, to be adjusted by delivery of cloth to that value. The amount required is estimated at a lakh of rupees during the next six months.

The Government consider that the grant of gratuitous relief and of advances to weavers is altogether premature, seeing that the price of all food-grains* is below the scarcity rate. They are not prepared to sanction this measure until the price of ragi, which is the cheapest food-grain in ordinary use (not rice) reaches the scarcity rate: the Collector may then exercise his discretion in the matter. The Order of the 3rd December, No. 7,203, authorising the grant of subsistence batta, but directing that this relief be kept within the narrowest possible limits, will be considered as cancelled.

(*g.*) That certain measures be adopted for improvement of telegraphic communication.

(*h.*) That food-grains imported at Gopálpur be exempted from landing fees.

These recommendations are approved and the necessary steps to give effect to them will be taken in the Public Works and Marine Departments, respectively.

6. Mr. Garstin's remarks in paragraph 26, regarding insufficient agency and expenditure in the Kallikót and Atagadá estates under the Court of Wards, will be considered in the Public Works Department.

7. In paragraph 43 of his letter, Mr. Garstin makes some remarks regarding the recent ruling that ragi is to be adopted as the standard grain for Ganjam in considering the necessity for the grant of compensation to Government servants for dearness of food. He points out that the ordinary food of this class is rice, not ragi, and contends that the former should be taken as the standard, but Government are not bound to give relief to a greater extent than is necessary for the preservation of life, and if a cheaper grain than rice is procurable, and food, even though of a different description from that which Government servants are accustomed to, can be obtained at prices below scarcity rates, it does not appear to be incumbent on the State to save this class from the inconvenience and discomfort attendant on a change of diet. The Government servants in Ganjam, moreover, are better off than their brethren elsewhere, as the normal prices of grain are much lower than the rates ruling in other parts of the Presidency, and the scarcity rate is proportionately low.

G. O., dated 8th November 1888, No. 777.

8. In paragraph 44, Mr. Garstin suggests that the standard price of some one grain should be adopted as the scarcity rate for each district, and that the famine batta standard for Government servants should be taken as the index of the necessity for village relief. This proposition assumes that State aid is to be granted whenever the price of grain rises to scarcity rate, but it by no means follows that relief is required as soon as that limit is reached. The determination of scarcity rates is merely intended to serve as a guide to Collectors, so that preparations may be made in time for any emergency. As Mr. Garstin advocates

	Scarcity Rate.	Prices reported for the Week ending 8th December.
*Rice - - - - - - -	11·2	12·33
Cholum - - - - - -	14·7	17
Ragi - - - - - -	16·6	22·41
Cumbu - - - - - -	15·5	24

advocates the adoption of rice as the standard of compensation to Government servants, his proposition involves the acceptance of the same standard for the general population also; but he has shown in the preceding paragraph of his report that the prices of all grains do not rise and fall simultaneously or proportionately, so that the fact that the price of rice had reached the scarcity rate would not necessarily indicate the necessity for supporting the lower classes, who, for the most part, eat dry grains.

9. In his general remarks on the district at paragraph 47, Mr. Garstin alludes to the danger involved in the prevalent practice of raising rice crops on land which is not provided with the means of artificial irrigation. The question of the treatment of the rain-fed paddy lands in Ganjam was fully discussed in the marginally noted correspondence, to which, apparently, Mr. Garstin's attention had not been directed. The Government cannot interfere directly with the agricultural practice, but at the revision of settlement care was taken to impose on this class of lands such moderate rates of assessment that the ryots can afford to pay them by raising a dry crop; such lands have been treated as "dry" and assessed at one rate higher than the ordinary dry land of the village, the maximum being *Rs.* 2. 8. His Excellency the Governor in Council considers that nothing further is required, and that the ryot is the best judge of what crop he can grow most profitably.

G. O., dated 29th February 1872, No. 353.
" " 13th August 1874 " 1015.
" " 19th January 1875 " 107.
" " 19th February 1877 " 738.
" " 17th December " " 3410.

10. With reference to the statement in paragraph 5, that the Government have sanctioned the grant this year of remission of the assessment on rain-fed lands, it is observed that final orders have not yet been passed. The Board stated that they were not prepared to support the Collector's recommendation, and directed him to report again when the extent and amount of the loss of crop had been ascertained; these instructions were approved by Government (*vide* G. O., dated 7th November 1888, No. 772).

(True Extract.)

(signed) *C. A. Galton,*
Secretary to Government.

To the Commissioner of Revenue Settlement, Land Records and Agriculture.
To J. H. Garstin, Esq., C.S.I.
To the Public Works Department.
To the Local and Municipal Department.
To the Marine Department.
To the Judicial Department.
To the Financial Department.
To the Accountant-General.

Copy to the Commissioners of Land Revenue.
Copy to the Commissioner of Salt, Abkári and Separate Revenue.

(18th December 1888,—No. 873,—Revenue.)

Government of Madras.—Revenue Department.

READ—the following Letter from *J. H. Garstin*, Esq., C.S.I., First Member of the Board of Revenue (on special duty), to the Secretary to Government, Revenue Department, dated Madras, 13th December 1888, No. 55 :—

IN continuation of my letter of the 26th ultimo, I have the honour to submit the following report on the condition of the sub-division of the Ganjam district :—

2. This sub-division is under the charge of the principal assistant collector. It comprises the Government taluk of Chicacole and the Parlákimedi, Tekkali and Tharla zemindaris. Its total area is about 1,300 square miles and its population about 570,000, as shown in the margin. The Parlákimedi estate is under the Court of Wards, and has been so for the last 50 years. The Tekkali estate is in the possession of its two widowed proprietresses, and Tharla in possession of the zemindar of that name. It will thus be seen that the sub-division is a small one, being considerably smaller than the Goomsur taluk. It is divided, for administrative purposes, into two local fund taluks, each under a taluk board. These are the Chicacole and Parlákimedi Boards, and all the local fund roads in both circles, having a total mileage of about 261 miles, are in the executive charge of a single public works department supervisor, who is under the orders of the principal assistant collector as president of both circles. Besides this officer, there is a public works department sub-engineer in each local fund taluk who has the charge of all other works. Neither of these officers is under the principal assistant collector's orders in any way, and, if he wishes them to do anything, he has to address them through the Collector at Chatrapur, who addresses the district engineer, residing at Berhampore, who sends the necessary orders. It thus comes about that all roads in the Parlákimedi estate, which are not recognised as local fund works (and there are several such called "estate roads"), are under a different officer from the local fund roads in the estate, of which there is a total length of about 126 miles. The system seems to admit of some improvement.

—	Area.	Population.
	SQ. MLS.	
Chicacole taluk -	412	206,419
Parlákimedi -	672	240,980
Tekkali - -	172	105,296
Tharla - -	54	24,118
TOTAL - -	1,310	570,813

3. When the Collector first became apprehensive of the occurrence of distress in the district he ordered weekly reports to be sent in by all tahsildars and deputy tahsildars on the condition of their taluks and sub-divisions. These reports were directed to be submitted through divisional officers in the famine narrative form appended to the Famine Code, as being very compendious. These reports were sent on by the divisional officers with their remarks. In the reports from the sub-division, statements of severe failure of crops and prospective distress in Parlákimedi and Tekkali and of the need for relief works in the latter estate having been made, I determined to visit those parts of the district before leaving it. I subjoin extracts from some of the reports submitted :—

The Parlákimedi Estate manager reported in his—

Weekly report for the week ending 3rd November.—Crops withering for want of rain. Rice and other food-grains procurable with great difficulty. No work available for labouring classes. People in villages inclined to do coolie work and not cultivation operations. Rice 10½ and ragi 27 seers per rupee.

Weekly report for week ending 10th November.—Last week's rain very useful to paddy fields. The panic felt by people in general on account of the expected famine is to a certain extent reduced. No immediate necessity for opening relief works. Rice 11¼, ragi 27 seers per rupee.

Weekly report for week ending 17th November.—Water supply of small tanks is scanty. People hopeful that paddy crops will give some relief. No immediate necessity for opening relief works. Rice 12, ragi 27 seers per rupee.

Weekly report for week ending 24th November.—Food-grain procured without difficulty; people enjoy good health. No immediate necessity for relief works. Majority of population live on ragi, cumbu and cholum. Owing to want of rain estimated outturn of rice harvest only one-third of ordinary crop. There will, therefore, be difficulty in procuring food-grains. If there is no rain by the end of January there will be no water in tanks and the people will suffer from scarcity of food and water.

The Tekkali Deputy Tahsildar reported of his division—

In his weekly report for the week ending 3rd November.—Nearly all paddy lost. Water-supply scarce and decreasing. Two inches of rain have fallen, but it is not enough to moisten the soil. People in distress, except well-to-do ryots. Relief works much wanted. No deaths from starvation reported. Rice 11¼, ragi 24 seers per rupee.

In weekly report for week ending 10th November.—Recent rain has given life to withering crop. People are in bad circumstances. Some are living on herbs. Relief works will have to be started, as also a poor-house. These will be required about the end of December or beginning of January. Rice 11¼, ragi 27 seers per rupee.

In weekly report for week ending 17th November.—Small tanks generally full. Large ones have little water. Condition of people improving. In general without employment. Relief works and poor-houses needed. Rice 12, ragi 27 seers per rupee.

Weekly report for week ending 24th November.—Ryots ploughing land to sow second crop of rice in northern part of Tekkali. Much land left waste. People in want of work. Many emigrating to Burma. Some live on herbs. Noticed some cases of emaciation from want of food. Requested sub-collector to open a relief work and a poor-house. Rice 13, ragi 27 seers per rupee.

The manager of the Urlam estate reported in his—

Report for the fortnight ending 3rd November.—As prices had risen, people were suffering from want of food, but as prices have since fallen owing to rain having fallen, they may be relieved. Rice 12 seers, ragi 30 seers per rupee.

For week ending 10th November.—Owing to good rain in the week, the state of the country is good to some extent. No work for coolies. No deaths from starvation. Rice 12, ragi 27 seers per rupee.

For week ending 17th November.—State of country somewhat fair. Prices are falling. People are free from fear of scarcity. Recommends execution of repair works. Rice 13½, ragi 30 seers per rupee.

The Tahsildar of the Chicacole taluk reported—

For the week ending 10th November.—Ragi and food grains of lower classes have been harvested. Ragi yielded 8-anna and cumbu 4-anna crop. Some of the rainfed tanks contain three-quarters, others a quarter of full supply. Cultivators have agricultural operations, but coolies have no work. Scarcity of food-grain is not felt. Rice 12, ragi 30 seers per rupee.

For the week ending 17th November.—Paddy crops under channels in good condition. Rainfed paddy has suffered a good deal. Coolies have no work. Scarcity of food-grains not felt. Prices falling slightly. Rice 12, ragi 30 seers per rupee.

For the week ending 24th November.—Village relief registers under preparation. Rice 13, ragi 28 seers per rupee.

The Deputy Tahsildar of Sómpet reported in his—

Weekly report for the week ending 3rd November.—The prices of rice and ragi at Sómpet were, local rice 10⅘, imported rice 11⅓, ragi 22⅔ seers per rupee.

In his weekly report for the week ending 10th November.—Standing crops thriving. Food-grains abundantly available. Prospects favourable. Prices falling. Rice (local) 11⅓, rice (imported) 12, ragi 22⅔ seers per rupee.

In his weekly report for the week ending 17th November.—The prices of food-grains were, rice (local) 12, rice (imported) 12, ragi 24 seers per rupee.

In

In report for week ending 24th November.—Sufficient supply of water in tanks and wells. Most of the labouring classes have work. Gratuitous relief has been given to famished people. Prices falling. Food-grains abundantly available. Merchants active.

4. I left Chatrapur on the 29th for Berhampore, and the same evening dâked to Kasibugga in the Tharla estate and in the north-eastern part of the sub-division. Here I was met the following morning by Mr. Broadfoot, the acting-principal assistant collector, and by the zemindars of Tharla and Mandasa. The Tharla zemindar stated that the crops were so poor on his estate that he only expected a quarter outturn. The deputy tahsildar, however, told me that this estate was the best in his division and would probably get an 8-anna crop. The zemindar also complained that he had been assessed too highly in the matter of road-fund, his income having been taken to be nearly double of what it really was. The other side of the story, as I learnt from Mr. Broadfoot, was that the zemindar had refused to send in proper accounts of his income, and had been accordingly assessed on one estimated by the tahsildar, and approved by the Collector. The matter, I understood, was still under appeal to the Board of Revenue. The Mandasa zemindar, whose estate adjoins the sub-division on the north, said that there had been severe loss of crops in his estate, but he thought he would get an 8-anna, or half crop, all round. There had been very little rain, and he added, with a touch of humour, that he understood that the sun never set on the Queen's dominions and perhaps that might account for his estate not getting its full quota of rainfall sometimes. He also complained that an Irish bridge was being constructed, instead of a bridge with arches, over a small river, called the Surnamudi, about two miles from Mandasa, on a road running for 16 miles through his estate from the Trunk-road towards Parlâkimedi, and as he had given all the land required for the road, he asked to have an arched bridge built over the said river. Except as a work possibly available for employing labour on during a period of distress, the matter is one hardly within the scope of my report, but as I promised the zemindar that I would mention his request, I have done so.

5. After a few hours' halt, I pushed on to Parlâkimedi, where I arrived the same evening (30th November). The road lies for some miles through a jungly country where there is not much cultivation, but after crossing the watershed of the Mahendratanaya river valley, the cultivation began to increase rapidly in extent and improve in appearance, till, at Parlâkimedi itself, the five or six square miles of fine, well-grown rice crops, all nearly ready for the sickle, which are irrigated by the waters of the two large tanks at Parlâkimedi called the Rama Sâgaram and the Sita Sâgaram, were as fine a sight of its kind as one could wish to see.

6. At Parlâkimedi I was kindly received by Mr. Taylor, who, in addition to being the tutor of seven young zemindars, is vice president of the Parlâkimedi Taluk Board and president of the municipality. Shortly after my arrival the eldest son of the zemindar came to see me. He is a quiet-mannered, intelligent young man, and has for some time had administrative charge of a portion of the zemindari containing 19 villages. These he manages with ability, and shows, I understand, a keen and intelligent interest in everything connected with the whole estate to which he is the heir.

7. The next day the manager of the estate came to see me. He was, till quite lately, tahsildar of the Chicacole taluk, and is, I understand, a revenue officer of much experience. He was appointed to his present charge nearly two months ago, but as he had acted as town magistrate of Parlâkimedi on two occasions, for brief periods, during the last 10 years, he was not altogether unfamiliar with the estate when appointed its manager. The view he took of its condition and prospects was somewhat gloomy. He seemed to have made up his mind that there ought to be a famine. He produced some figured statements and a memorandum in which he had set out his opinion that the growing rice crop would not yield more than one-third of an average full crop; that a full crop only sufficed to feed the people of the estate for a year, as one-third of it was regularly exported to the Vizagapatam district by road, thus only leaving two-thirds for consumption by man and beast, and that at the present moment

(leaving the growing crops out of consideration) there was not food enough to last till the next harvest, and unless rain fell before February, thus enabling the people to grow crops which might be gathered in April or May, the Government would shortly have to import food for the people. He supported his views by very precise calculations of outturn of the rice crops growing on the land under cultivation throughout the estate, based partly on inspections of 80 or 90 villages which he said he had made in the Varnassi, Kottur and Sarvakota khandams (sub-divisions of the taluk). Taking the area cultivated this fasli to be the same as that cultivated last fasli, his estimate of outturn on the whole area of 81,708 acres is shown in the margin His estimate of yield in garces of grain was 24,327 garces of rice, less one-third to go to Vizagapatam, leaving a balance of 16,218 garces, *plus* 12,774 garces of dry grains. Calculating that 3 seers of rice or $1\frac{1}{2}$ of dry grain suffices for a family of five* persons daily, the above estimate, when worked out, shows a prospective supply of food enough to last the whole population of the estate (240,980 † persons) for about 520 days. It is, however, to say the least of it, improbable that if food is scarce, the ryots will sell their produce for export. So that to the above estimate of the manager's may, I think, be added the one-third of total outturn he deducted, as well as all the existing stocks in hand, whatever they may be. Thus, even taking the manager's estimate of total outturn to be approximately accurate, it is clear there is no need for apprehension on the question of food supply, for many months to come at all events. But Mr. Taylor, who has lived for many years in Kimedi and knows it well, considers that the stocks in hand are large, as there has been no export by sea from the estate for the last two or three years, while there are no trade statistics to show what the movements of grain to Vizagapatam generally are, so that the manager's estimate of an annual export of one-third of the whole of the outturn of each harvest has little to support it. The zemindar's eldest son, too, who knows the estate well, told me he thought that there would be an average loss of only one-third of the rice crops all over the estate, and agreed with Mr. Taylor as to the stocks in hand being large, so that I have, I consider, good grounds for distrusting the accuracy of the manager's forecast, which I certainly do.

	Acres.
Total loss on	11,185
One-anna crop on	12,175
Two-anna crop on	9,603
Three-anna crop on	1,075
Four-anna crop on	25,916
Above 4 annas on	21,754
TOTAL	81,708

* 1½ lb. per head.

† I have taken the population figures from the last census tables. The manager's figures showed the population at 272,509 persons.

8. The manager, in his memorandum, also set out that he calculated that 33,000 people were now in need of relief, but if his prognostications proved correct and no rain fell before February, then probably one-third of the whole population would be in need of assistance, and to meet these contingencies he suggested the putting in hand of two large works—

(1.) A channel from the Vamshadhára at Battili to Parlákimedi, about 30 miles long, and estimated to cost *Rs.* 2,00,000.

(2.) A channel from the anicut at Battirisipuram, on the Mahendratanaya, to the Krishna Ságaram, a distance of about five miles, and estimated to cost about *Rs.* 50,000.

I believe the former work is known as the Vamshadhára project, and is an old Public Works Department scheme which has been shelved for years, but I could find out nothing definite about it. Apparently estimates for both works are wanting.

9. There is a large budget allotment of *Rs.* 75,000 sanctioned by the Court of Wards, from estate funds, for expenditure on irrigation works and roads in the estate during the current year, but up to date little has been expended, and the sub-engineer in charge told me he feared he would not be able to spend more than *Rs.* 50,000 by the end of March. This officer, by name Mariappa Mudaliar, seemed to me to be both energetic and intelligent, and was certainly eager to be at work, but he said that there was much delay caused by the necessity for having every estimate sanctioned by the Court of Wards (of which there were many) revised in the superintending engineer's office in the Godávari district, and until the revised estimates reached him he could not put the works

to

to which they related in hand. This sub-engineer had only arrived at Parlákimedi a month ago. He had had much experience of famine relief works in the famine of 1876–78, and seemed to have already done a good deal in starting repairs to roads and other work since his arrival. He said the estate abounded in excellent sites for large irrigation tanks which might with advantage take the place of the generally petty works of that character which abound, thus taking the same view of the possibilities of improving the southern part of the district which I had myself expressed in my first report, relative to the northern portion of the district. He complained that he had not enough subordinate officers. He had a surveyor, but he was not quite up to his work, and he wanted one more overseer, two more surveyors, and two sub-overseers. He said he had applied for them.

10. On the morning of the 2nd instant, I left Parlákimedi for Tekkali, a distance of 19 miles. The road was for five miles the same one that I had traversed two days before. It then turned off to the south-east through a country where the crops were much poorer, and where there was a larger show of dry cultivation. At Tekkáli Mr. Broadfoot again met me with the deputy tahsildar, and we discussed the position and prospects of the Tekkali division specially, and those of the sub-division generally, with much care.

11. The Tekkali division, under the charge of the deputy tahsildar of Tekkali, comprises the Tekkali and Tharla estates, a few small proprietary estates, and 29 villages of the Chicacole taluk. The deputy tahsildar had inspected 21 of these last, and found that with the exception of four, which are river-irrigated, and in which the rice crops were good and would yield a full average harvest, those in all the other 17 were very bad and would yield nothing, or at most a one or two anna crop. The price of second sort rice was about 13½ or 14 seers per rupee, and was slowly falling. There had been no cases of starvation reported. If gratuitous relief was begun, both Mr Broadfoot and the deputy tahsildar preferred to open a poor house at Tekkali for the distribution of cooked food to having to distribute relief in villages. There are about 70 villages in the Tekkali estate, of which the condition, according to the deputy tahsildar, was very bad, a great deal of land having been left waste, and the rice crop having failed almost completely. They occupy a strip of country along the coast, about seven miles wide and about 15 long.

12. In the whole sub-division Mr. Broadfoot stated that there were three bad portions—

(1) The 17 villages inspected by the deputy tahsildar in the Paltalogám hunda in Tekkali. Here the crops are very bad. They cover an area of about 50 square miles, with a population of about 24,000 persons.

(2) A group of villages, about 35 in number, near Jalmur in the Chicacole taluk, about 40 square miles in area, and with a population of about 20,000 persons. Here the loss of rice crop is almost entire.

(3) A group of about 25 villages on the western side of the Vamshadhára river called the Varnassi khandam in the Parlákimedi zemindari. The area of this group is about 35 square miles, and the population about 18,000 persons. Mr. Broadfoot estimated roughly that the remissions necessary will amount to about *Rs.* 25,000 or *Rs.* 30,000 out of a total demand of about *Rs.* 2,25,000 for the whole taluk.

13. While at Tekkali I was surprised to find that no crowd of ryots and other inhabitants came to see me and represent their distressed circumstances, as they had generally done elsewhere. About 40 or 50 beggars came, however, but the president and medical officer of the union, who came to see me while they were collected near my tent, recognised them as being almost all professional beggars of the town, who found it less easy than usual to get their daily meal by begging from door to door. These two gentlemen told me that there was no dearth of food supply in that part of the district, nor was there any severe distress at present. Certainly, nowhere did the appearance of the people whom I saw betoken want. The wages of labour, however, hereabouts are very low, the district munsif informing me that field labourers get only *Rs.* 2 a month, while Mr. Broadfoot told me that in a statement made by the Urlam

zemindar in connection with some proceedings in his court, it was stated that he paid his labourers only *Rs.* 13 a year.

14. On the following morning I went to Nowpada to see the salt factory, and to ascertain what salt works were likely to be soon in progress. I found that the extension of the factory at a cost of *Rs.* 6,000 was only awaiting sanction and allotment of funds to be begun. It seems to be an excellent work to afford employment and wages to about 1,000 labourers for two months in case of need, but the work has not been recommended to Government by the Commissioner of salt revenue for execution, because there is so much salt in hand that no extension of the work is required. The same evening I went on from Tekkali to Calingapatam, where I was met the next morning, just before embarking, by the Tahsildar of Chicacole, who gave me a statement which he had prepared, showing that the rainfall in the taluk during the current year, up to the end of November, had been 22·20 inches against 42·50 in 1887, and 27·69 in 1886; that the cultivation in the current fasli was in excess of any of the five preceding ones; that more rain was expected, but if it did not fall rain-fed tanks would become dry during the hot season; that he estimated that the channel irrigated rice lands would yield an 8-anna crop, but rain-fed rice lands less than a 4-anna crop, and that he estimated remissions would amount to about *Rs.* 30,000 out of a demand of about 2¼ lakhs, exclusive of zemindari peishcush and inam quit-rents. The number of people likely to require relief he estimated at 5,000, and the number of paupers to be fed gratuitously at 300 in the whole taluk. The total of the figures of population given in paragraph 12 *supra* is 62,000, 10 per cent. of which is 6,200, so that in the event of distress necessitating resort to relief works the tahsildar's estimate seems a reasonable one of the numbers likely to resort to them in his taluk, *i.e.*, including the Tekkali Deputy Tahsildar's division, but exclusive of the Parlákimedi estate.

15. The conclusions at which I have arrived relative to the condition of the sub-division of the district is that there is no famine there, nor immediate prospect of any; that the stocks of food grain are fairly ample as shown by the tendency of prices to fall slowly; that in the three areas specified in paragraph 12 *supra*, there has been severe loss of the rice crop, and that in the rest of the sub-division the outturn will prove to be short, varying from one-third to two-thirds of an average full crop on the whole area to be harvested, though probably quite normal in all well-watered villages. That distress has been caused by the late high prices and the prospects of a failure of the rice harvest I do not doubt, but I do not think it is such as to call for immediate remedial measures at the hands of Government. If, however, no rain falls in the current month or in January prices will probably rise, and if they do so up to the scarcity rate, then, I think, there is every probability that the distress will greatly increase, and that relief works will be needed. The most potent factor in the matter is the very low rate of wages that prevails in Ganjam, where a coolie or labourer is paid only 1½ annas per diem, when in almost every other district he would get 4 annas. It is true the district is ordinarily the cheapest in the Presidency in the matter of food grains, but any rise in the prices of these is felt more quickly and acutely by the low-paid labourer in Ganjam than the better paid one elsewhere, because the ratio of difference between the prices of food grains in Ganjam and any other district is much less than the ratio of difference between the rates of wages in them, and wages do not alter at once with prices. The Ganjam coolie seems to be, in fact, the worst off of any in the Presidency, even at the best of times, in the matter of the food purchasing power of his wages.

16. Should relief works become necessary, I recommend the following preparation for commencing work, which should, I consider, be made at once—

(1) A road from Tekkali, *viâ* Nowgam, to the point of junction of the Parlákimedi road with the trunk road near Anantagiri, a distance of about 12 miles. The probable cost would be be about *Rs.* 25,000. There was once a road along this line, but it was abandoned, and much of it has since been cultivated with the permi-sion of various collectors.

(2) Re-making the road from Hiramandalam to Battili from the point where its intersects the Pálkonda-road, about 10 miles. Probable cost, *Rs.* 10,000.

(3) Making a road from Calingapatam to the trunk road near Kota Bommali, about 12 miles; this is the line of the old coast road. Probable cost, *Rs.* 20,000.

Besides

Besides these works, there are salt extension or repair works at the factories of Calingapatam and Naupada, which could be put in hand directly, and ought to be begun in January if they are to be carried out this year. Those at Calingapatam would involve an outlay of about *Rs.* 9,000, and those at Naupada of *Rs.* 6,000. In this connection I should here state, what I omitted to notice in my report on the northern portion of the district, that there are salt works at the Ganjam factory estimated to cost about *Rs.* 13,000 which have been recommended to Government for sanction in view to execution during the current year, and might be put in hand at once if necessary, and would afford a good deal of employment for two or three months in that neighbourhood.

17. I understand from Mr. Broadfoot that the local fund expenditure of his two taluk boards is proportionate to date, and that consequently there is only about one-fourth of the year's allotments still unspent, while the balances are very small or nil. He is anxious that, if relief works are started the local funds of his division should receive a large grant-in-aid from provincial funds, and that he should be authorised to carry out the proposed works in the ordinary manner (as contemplated by section 38 of the Famine Code) with his local fund staff, strengthened, where necessary, for the occasion. I think the proposal a good one provided the supervising staff is sufficiently strengthened, for it is absurd to suppose that the local fund supervisor in charge of all the local fund roads in the Chicacole taluk to the extent of about 135 miles, and in the Parlákimedi estate to the extent of about 126 miles, could also look after the three works contemplated, or any one of them, if opened. Each would certainly require its own executive staff, and at least one special officer to supervise the work. Mr. Broadfoot also suggested the doubling of all local fund road repair current allotments in the division out of the grant-in-aid, but I cannot support the proposal.

18. He also informed me that he had submitted lists of numerous small new works and repairs, involving an estimated outlay of about *Rs.* 66,000, for making new roads and repairing old ones and improving the water supply of villages, to the collector, as he considered that the orders contained in the Revenue Board's Proceedings of 24th January 1888, No. 27 (Revenue Settlement Department), required him to do this in order to provide work for 5 per cent. of the population near their homes. He said he did not approve of the system any more than Mr. LeFanu, the collector of North Arcot, who had put the same construction on the Board's order, and had protested vigorously against it in his letter of 4th June 1888, No. 875, printed in the Board's Proceedings of 9th June 1888, No. 256 (Revenue Settlement Department). I told him I considered that both he and Mr. Le Fanu had somewhat misapprehended the Board's order. What the Board had directed collectors to do was to prepare lists of civil agency works to such an extent as would provide employment for 5 per cent. of the population of their respective districts in time of distress, but nothing was said by them about having these works near the homes of the labourers. The misapprehension appears to have arisen from the Board's order having been passed on a circular letter from Sir E. Buck, the Secretary to the Government of India in the Revenue and Agricultural Department, which the Madras Government referred to the Board for report in G. O. dated 29th November 1887, No. 1109, Revenue. In this letter, dated 11th October 1887, Circular No. 65 F. 11-2, Sir E. Buck asked the Madras Government for "a very brief description of the nature of any works or operations contemplated by section 30 of the Provisional Famine Code for famine relief which are specially intended for the employment of the agricultural population in the vicinity of their villages," adding that he did not want a list of such works, "but only an explanation of their general character, *e.g.*, construction of tanks, banking up of ravines, irrigation and digging of fields, &c." Now, considering that section 30 of the Madras Famine Code has no reference to any such matter, while section 28 gives the very description of civil agency works which Sir E. Buck wanted, and which he could not have failed to have seen if he had had the Madras Code before him when he wrote, I cannot help thinking that his letter (which is apparently a circular one to all subordinate Governments) was drafted with reference to some other code, for the Madras Code does not contemplate such scattered works for the purpose of giving 5 per cent., or any other percentage, of the agricultural population work near their homes, but rather the concentration of labour on large works under proper supervision.

Civil agency works are defined in section 21 of the code, and it is true that section 23 points out that they are primarily intended to afford light employment to persons physically unfit for labour on professional agency works, and for those who have been in receipt of gratuitous relief, and who, though recovering from debility, are not strong enough to go to professional agency works; but there is a good deal of difference between providing work for such exceptional cases and providing it for a percentage of the whole agrigultural population. Moreover, civil agency works are not intended solely for the above purpose, and may often comprise large local fund or municipal works. I think, therefore, that as the Board in their proceedings (on Mr. LeFanu's letter) of the 9th June 1888, No. 256 (Revenue Settlement Department), did not notice the point, the misapprehension may be somewhat general, and think it would be well if the Government were to remove it by a distinct declaration of their views on the matter.

19. I enclose a map showing the route followed by me in the sub-division, and, in conclusion, I trust I may be permitted to express my obligations to all the district officers with whom I came in contact during my tour, and especially to the collector, Mr. Horsfall, whose unfailing courtesy and readiness to do everything in his power to assist me much facilitated the completion of my ask.

Order, dated 18th December 1888, No. 873, Revenue.

Mr. Garstin's report is satisfactory, and shows that in the southern portion of the district there is even less reason at present to fear famine or acute distress than in the northern. It seems that much of the rice land will yield an 8-anna or half-crop, and there is reason to believe that stocks are already above the normal supply. Throughout the district the movement of prices after the harvest will indicate whether action becomes necessary.

2. Mr. Garstin specifies three lines of communication, estimated to cost about *Rs.* 55,000, which will afford employment to a considerable number of labourers in this part of the district in case of necessity. The collector should have estimates for these and such other works as are likely to be required as relief works prepared at once so that there may be no delay in putting them in hand should the necessity for finding employment for large bodies of labourers arise. It is observed that the list of proposed civil agency works was returned to him for revision with G. O., dated 6th November 1888, Mis. No. 6616, and no time should be lost in making a selection and preparing a programme.

3. In paragraph 8 of Mr. Garstin's report, allusion is made to two large irrigation projects in the Parlákimedi estate. It is not known in the Revenue Department whether these schemes have been investigated. The attention of the Public Works Department will be invited to this matter, and to Mr. Garstin's remarks in paragraphs 2 and 9, regarding the dual system of control of works situated within the Parlákimedi estate.

4. The Government concur in Mr. Garstin's remarks in paragraph 18. The employment of the bulk of the labourers on scattered works in the vicinity of their homes is not contemplated; labour will be concentrated on large works as far as possible. Petty village works are intended primarily for those who are not strong enough to go to works at a distance.

(True Extract.)

(signed) *C. A. Galton,*
Secretary to Government.

To J. H. Garstin, Esq., C.S.I.
„ The Commissioner of Revenue Settlement, Land Records and Agriculture.
„ The Public Works Department.
„ The Commissioner of Salt, Abkári, and Separate Revenue.
„ The Local and Municipal Department.
„ The Court of Wards.
Copy to the Commissioners of Land Revenue.
„ „ Accountant-General.

EAST INDIA (DISTRESS AT GANJAM).

REPORTS by Mr. *J. H. Garstin*, C.S.I., on Condition of GANJAM, MADRAS.

(*Mr. Bradlaugh.*)

Ordered, by The House of Commons, *to be Printed,*
10 *May* 1889.

[*Price* 4½ *d.*]

INDIA (MARRIAGE AND FUNERAL CUSTOMS).

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RETURN

To an Address of the House of Lords, dated 17th July 1888,

FOR

CORRESPONDENCE regarding the adoption by the States of Rajputana of Reforms in connection with Marriage and Funeral Customs.

India Office,
20 July 1888.

JOHN E. GORST,
Under Secretary of State for India.

(The Viscount Cross.)

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(227.)

CORRESPONDENCE regarding the adoption by the STATES of RAJPUTANA of REFORMS in connection with MARRIAGE and FUNERAL CUSTOMS.

No. 84 of 1888.

Government of India.—Foreign Department.—Internal.

My Lord, Simla, 2 June 1888.

WE have the honour to forward, for the information of Her Majesty's Government, a copy of the correspondence cited on the margin, regarding the adoption by the States of Rajputana of important reforms in connection with marriage and funeral customs.

From the Agent to the Governor General in Rajputana, No. 277-C., dated 23rd March 1888.
To the Agent to the Governor General in Rajputana, No. 1501-I., dated 21st April 1888.

We have, &c.
(signed) *Dufferin.*
F. S. Roberts.
G. Chesney.
A. R. Scoble.
C. U. Aitchison.
C. A. Elliott.
J. Westland.

To the Right Honourable Viscount Cross, G.C.B.,
Her Majesty's Secretary of State for India.

Enclosure, No. 1.

No. 277-C., dated Camp Ajmere, the 23rd March 1888.

From Colonel *C. K. M. Walter,* Agent to the Governor General in Rajputana, to the Secretary to the Government of India, Foreign Department.

I HAVE the honour to report, for the information and orders of the Viceroy and Governor General in Council, that in October last I addressed a circular letter to all Political officers on the subject of the adoption throughout Rajputana of a set of rules for regulating the expenses of marriages amongst Rajputs, and suggested that a large representative Committee should assemble at Ajmere in this month, the members to consist of one official, one leading jagirdar, and one Charun from each State; for the settlement of this question.

2. My suggestion met with the heartiest approval of every Ruling Chief in Rajputana, with the exception of the Maharawal of Banswara, who informed Lieutenant Pinhey that he was quite unable to find any suitable person either to represent the Darbar or the Charuns of Banswara.

3. During my cold weather tour, I had the opportmnity of personally discussing this and many other questions with the Chiefs of the States I visited, and they expressed a wish that some measure for curtailing excessive expenditure at funerals, as well as marriages, should be considered at the meeting. The old Maharao Raja of Bundi took very great interest in my proposals, and was the first to suggest that a limit should be placed, on the ages of the bride and bridegroom, with a view to putting down child marriages.

4. A list, marked A, is enclosed, giving the names of the representatives of each State, who formed the Committee. I arrived in Ajmere on the 1st of March, and the Committee began its proceedings on Monday the 5th,

and continued its sittings throughout the week. I was especially anxious that whatever decision was arrived at should be unanimous, and that the various questions at issue should be settled by the delegates themselves, untrammelled by the presence of a British officer; at the same time, I assured them that, whenever they desired, I was willing and ready to help them with my advice; and on several occasions, deputations waited on me to discuss matters in which they needed my help. On Friday evening the 9th, I was informed that the whole of the members of the Committee had come to an unanimous agreement upon all the points they were called upon to discuss, and requested my attendance to hear the rules they had formulated read out, as well as to attest their signatures to the document embodying these rules.

5. Accordingly, on the morning of Saturday the 10th, I, in company with Colonel Trevor, the Commissioner of Ajmere, proceeded to the Dowlut Bagh, where, under the shades of some beautiful trees, the whole of the delegates, 41 in number, had assembled. It was a picturesque sight; officials, leading Thakurs, and the head Charuns of each State, all gaily attired, took their seats, without any trouble or dispute about precedence, and the important document drawn up entirely by themselves was read out. As the reading of each rule was finished, I asked if this was the unanimous decision of all, and received the reply "it is."

6. This part of the ceremony over, Kuvi Raj Shyamal Das, the Historian, Genealogist, and Bard of Meywar, a man much and deservedly respected all over Rajputana, came forward and made on behalf of all the delegates a most impressive speech in Hindi, beginning by thanking me in the name of his own class for the meeting, and for settling once and for all the vexed question of "Tyag" (which is simply largess paid by the father of the bridegroom to Charuns, Bhats, and Dholis, of whom the number in Rajputana is almost legion), and thus preserving the bond of union between themselves and the Rajputs. Next, on behalf of the whole Committee, he begged to return grateful thanks to the British Government. He then reviewed the past history of India as affecting Rajputana, giving a brief account of the various rulers, and finished his address by comparing the condition of Rajputana at the beginning of the century with that of the present time. Copy of the speech, which I have had translated into English, is annexed, and marked B. To this speech I replied, addressing the assemblage in Urdu, a translation of what I said is enclosed, marked C. I may add that my remarks as to the fighting qualities of the Rajputs, even in the present day, was received with much enthusiasm, many of the delegates rising to their feet and shouting excitedly, and I am sure this display of feeling rightly expressed the sentiments of the Rajputs of this province towards the British Government.

7. After this the document was signed by every member of the Committee, and was finally attested by myself and Colonel Trevor. I may here add that the Istimrardars of Ajmere bound themselves to agree to whatever the representatives of the Natives States might settle, but it was thought better that they should be represented, and Raja Mangal Singh of Bhinai was selected for the purpose.

8. Government are aware that, on previous occasions, attempts have been made to settle this question of marriage expenses, with a view of suppressing infantcide amongst Rajputs. Colonel Tod, at page 637, Volume I., of his Annals of Rajputana, alludes probably to the earliest of these attempts, as made by the great Jey Singh of Amber (Jaipur), who, he writes, "submitted to the Prince of every Rajput State a decree, which was laid before a convocation of their respective vassals, in which he regulated the "daeja" or dower, and other marriage expenditure, with reference to the property of the vassal, limiting it to one year's income of the estate." But he goes on to say: "this plan was, however, frustrated by the vanity of the Chundawat of Salumbra (of Meywar), who expended on the marriage of his daughter a sum even greater than his sovereign could have afforded, and to have his name emblazoned by the bards and genealogists, he sacrificed the beneficent views of one of the wisest of the Rajput race."

9. In 1844 a correspondence took place with a view to remove one of the causes of female infanticide amongst Rajputs. Proclamations prescribing the fees to be levied by Charuns, &c., and prohibiting them from going into other States, were issued by the Udaipur, Jaipur, and Jodhpur Darbars, and the other States agreed to co-operate, but this and subsequent efforts made by these leading States to put a stop to excessive expenditure on marriages have failed, because each State adopted its own plan, and there was no one rule for all Rajputana.

10. For many years I have studied this question, and came to the conclusion that until one system was adopted for, and agreed to by, each State, no appreciable success could be obtained. I was, therefore, most anxious to have a really representative meeting, and that the decision arrived at should be unanimous. My object has now been attained, and I feel sure that each State will take an interest in seeing that the rules now formulated are carried out in their entirety, and thus the required success will be ensured.

11. I will now, as briefly as I can, touch upon the rules that have been made. They are altogether 22 in number. The first fixes the amount to be expended on the occasion of a first marriage, that is of a Thakur or his eldest son in a family. On incomes of Rs. 20,000 and upwards, the maximum expenditure is to be not more than one quarter of the annual income. On incomes between Rs. 20,000 and Rs. 10,000 per annum, not more than one-third to be expended. Where the income is below Rs. 10,000, and not less than Rs. 1,000, one-half is the limit of expenditure; the reason for increasing the expenditure per cent. on incomes of less than Rs. 20,000, is, that marriage ceremonies could not be properly performed for a less amount than that laid down. On incomes below Rs. 1,000 per annum, the limit of expenditure is two-thirds.

12. Rule 2 is a very important one; it provides that no expense whatever shall be incurred on the occasion of betrothals. The parties or representatives will simply drink a decoction of opium water together and present betel-leaves, and the engagement of marriage will be recorded in writing. It has been hitherto the custom for the parents of the bride to present to the bridegroom's father an elephant, horses, camels, jewellery, &c. Expenditure on this item alone, amongst well-to-do Thakurs, has seldom been under Rs. 10,000, and the prohibition now unanimously agreed to against any expenditure on the occasion of a betrothal will very materially aid in reducing expenditure on marriages.

13. Rule 3 lays down the amount to be expended in the distribution of Tyag, that is largess to Charuns, Bhats, Dholis, and others. This is the heaviest expenditure of all on occasions of marriages amongst Rajputs. I will give instances of the sums that have within my own knowledge been expended. The Rawat of Salumbhur, in Meywar, about 13 years ago, married his sister to the Maharaja of Idar, when one lakh of rupees local currency, equivalent to Rs. 75,000 Imperial, was spent in the distribution of "Tyag" alone; the yearly income of Salumbhur being Rs. 75,000 Udaipur currency, equivalent to Rs. 56,250 Imperial. Again, the sister of the present Rawat of Deogarh was married some years ago to the present Raja of Delwara, both nobles of Meywar. Rs. 1,50,000 were expended by the latter, whose annual income was then considerably under a lakh, on Tyag alone. The Maharaj of Bhinder, also a noble of Meywar, married his daughter to the Raja of Rutlam, of Central India. A sum of two lakhs of rupees was expended on this marriage, the bulk of which fell on the bride's father, whose annual income is about Rs. 60,000. The Raja of Bunera, of Meywar, married his sister to the same Raja of Rutlam, when the expenditure on "Tyag" only, which fell on Bunera, whose annual income may be estimated at Rs. 70,000, Udaipur currency, was a lakh and 50,000. In January 1884 one of the chief nobles of Jaipur, Thakur Govind Singh, of Chomu, betrothed his daughter to the Thakur of Pokhurn, of Marwar. The sum expended on the occasion of the betrothal was Rs. 9,890, and when the marriage took place the Thakur of Pokhurn expended within a few rupees half a lakh of imperial currency on "Tyag."

 14. The

14. The instances I have given above, and they could be multiplied by hundreds, will show how reckless hitherto has been the expenditure, and how necessary it had become to limit it. Taking the marriage of Bhindur as an instance, the amount he will have to pay under the rules on Tyag on the occasion of the marriage of his eldest son will now be Rs. 5,400, or 9 per cent. on his income, and when he marries a daughter he will pay nothing on that account, as the father of the bridegroom pays, not the father of the bride. By reducing the sum to Rs. 9 per cent. of the annual income of a Thakur, and this sum to be included in the amount fixed under Rule 1, that not more than a quarter of any Thakur's annual income is to be expended on marriages, an effectual stop will be put to the extravagance that has hitherto taken place, which has involved many families in Rajputana in terrible debt, and some in absolute ruin. The enthusiasm with which these new rules, as far as I am yet able to judge, have been received everywhere is sufficient testimony that a new departure had become absolutely necessary.

15. Thakurs who have an income of less than Rs. 500 per annum will pay nothing for "Tyag." On incomes between Rs. 500 and Rs. 1,000 they will be assessed at half the rates, or Rs. 4½ local currency per cent. Another important change has been made by these rules, viz., that only the Charuns, Bhats, &c., of the State in which the marriage is celebrated will be allowed to be present, and the numbers to be so present will be regulated by a standing Committee, which is to be appointed in each State to superintend the proper carrying out of the rules.

16. Rules 7, 8, and 9 provide for the amount to be spent on the marriages of others than the eldest son, and on occasions of a second marriage, which Rule 10 provides that "Tyag" is not to be distributed at the capital of a State. This rule merely confirms a very long-standing custom in Rajputana, it not being "etiquette" for Charuns, Bhats, and others, to assemble at the capital of a ruling chief on the occasion of a marriage in a Thakur's family. Rule 11 leaves a loop-hole to those—and I fear they will be very few indeed —who have succeeded in successfully contending against undue expenditure at marriages; and 13 lays down that these questions shall be reconsidered at another Committee to be held five years hence.

17. Rule 14 provides for a standing Committee, already referred to, to be established in each State, whose duty it will be to see that the regulations now laid down are properly carried out. Rule 15 is also important, as it fixes the expenses to be incurred by the poorer classes of Rajputs. These men may be of as pure blood as their richer brethren, but without means. From such as these no "Tyag" is to be taken, and they are now limited to Rs. 100 to be spent on marriage ceremonies.

18. Rule 16 fixes the age of marriage of the bridegroom at 18, and of the bride at 14, that is to say, in future (the rule is not to have retrospective effect in regard to the age of the bridegrooms) no girl will be married under 14 and no boy under 18. This is the first attempt in Rajputana to put a stop to early marriages, which often cause a girl to be a widow all her life whilst yet a virgin. The proposal emanated, I am glad to say, from the aged Chief of Bundi, and shows, at all events, that a feeling is getting abroad, even amongst those who are the greatest upholders of ancient customs, against the evils that are caused by early marriages.

19. Although my first idea was only to endeavour to curtail the excessive expense at marriages, I found that there was a general feeling that a somewhat similar scheme should be introduced for cutting down the payment of enormous sums at funeral feasts. Rules to effect this have also been drawn up, and Rule 18 fixes the amount in future to be spent on such occasions. I am told that this will be an immense relief to all Rajputs.

20. Rule 19 insists on the head of a clan interesting himself to see that these rules are properly carried out by the Charuns under him, and is important as fixing a certain responsibility upon the men who are most interested in this scheme.

21. I must

21. I must apologise for the length of this report, but as I consider that the question on which I have been writing is the most important in the interests of the people of Rajputana that has been dealt with since I have been in the province, I deem it my duty to lay the matter thus fully before Government, and I trust that the result of my efforts to introduce these much needed reforms will meet with the approval of His Excellency the Viceroy.

22. I shall be glad to be favoured with printed copies of this report. I am arranging to have the rules printed and widely circulated, through Political Officers, throughout Rajputana.

PROCEEDINGS of a Committee of Sardars, Officials, and Charuns from all the States of Rajputana, held at Ajmere, for the purpose of regulating the Expenditure connected with Ceremonies at Marriages and Deaths among Rajputs.

Preamble.

All the Sardars of the various States of Rajputana assembled at Ajmere for the purpose of discussing arrangements for regulating the expenses incurred on the occasion of marriages, deaths, &c., having come to an unanimous decision, the following observances have been prescribed, and will be binding on Rajputs of all ranks except ruling chiefs. :—

Marriages.

(1) If the marriage is that of the Thakur himself, or an eldest son, or a daughter, the amount to be expended is fixed as under :—

When the value of the estate is above Rs. 20,000, and not more than one-fourth of the annual income.

When the rental is below Rs. 20,000, but not less than Rs. 10,000, not more than one-third of the annual income.

When the rental is below Rs. 10,000, but not less than Rs. 1,000, not more than half of the annual income.

When the income is below Rs. 1,000, not more than two-thirds of the annual income.

The above limits are in no case to be exceeded, but anybody can spend less if he likes.

How the value of an estate is to be ascertained.

NOTE.—In many estates there is a rekh rating, while others are held on a fixed payment, according to which the rental is estimated. Sometimes the revenue does not correspond with the assessment, while in certain estates no assessment has been made where a rekh settlement obtains or the rate has been fixed, and the collections accord with the rate of assessment, the income thus derived will be the basis for calculating the sum to be expended on marriage expenses. But if the collections fall short of the assessment, or there be no assessment at all, then the actual realisations will be taken into account.

"Teeka" or expenses incurred at the betrothal ceremony.

(2.) Disputes regarding the gifts which the girl's father sends to the father of her intended, the latter wishing to have the value increased while the former is desirous of decreasing it. This controversy, besides delaying the conclusion of the engagement, gives rise to other evils. It is therefore proper that the sending of "Teeka" (engagement presents) should be altogether stopped.

The customary presents of opium, betel leaves, &c., which are now sent on the occasion of the betrothal, may continue, but the engagement itself should be arranged for by letter only.

"Tyag" or amount to be distributed amongst Charuns, Raos, Dholis, &c., on the marriage of an eldest son.

(3.) Of the sum to be spent on "Tyag" under Rule 1, Rs. 9, local currency per cent. on the annual income of the estate, equivalent to Rs. 6-12 British currency, will be distributed, as at present, by the father of the bridegroom among the Charuns, Raos, Dholis, &c., in the proportions fixed by the custom obtaining in each State. The share of this payment which the Dholis receive is inclusive of the amount given on account of "Ghurcharhi." Except the above percentage, the fathers of the young couple will not give any other item to Charuns, Raos, and Dholis, on account of the marriage.

 (4.) Persons

(4.) Persons who hold property valued at less than Rs. 500, will pay nothing. When the property is worth from Rs. 500 to Rs. 1,000, the amount to be given as "Tyag" or presents to Charuns, &c., will be half that specified in Rule 3, viz., Rs. 4½ local currency, or Rs. 3-6 Imperial rupees, per cent.

(5.) A list will be made of the Charuns, Raos, Dholis, &c., attending the celebrations, and the day after the completion of the marriage rite they will be paid their shares and dismissed to their homes.

(6.) Only the Charuns, Raos, Dholis, &c., who are residents of the territory in which the marriage takes place, are entitled to the receipt of present. Those of foreign territory are forbidden to come. Only the father of the bridegroom will make the payment; the father of the bride is liable for nothing.

Amount to be expened on the marriage of other than the eldest son.

(7.) In the case of the marriage of sons, other than the eldest, and of brothers of the Thakur, who are dependent for support on the latter, the expenditure will be one-tenth of that specified in Rule 1, and the amount to be distributed as "Tyag," Re. 1, local currency per cent. on the income of the estate.

(8.) If sons and brothers are allowed separate maintenance the expense will be calculated on what the estate allows them, according to the usual proportions above fixed.

Expenses to be incurred on occasion of a second marriage.

(9.) The scale of "Tyag" set forth in the preceding rules applies to a first marriage only. If a second or a third marriage be contracted, the payment will be at the rate of Rs. 2, local currency per cent., when the income exceeds Rs. 5,000. When the income is less than Rs. 5,000, no "Tyag" will be distributed on the occasion of a second or third marriage, while in the case of a younger son or brother, no "Tyag" will be disbursed if the marriage is other than the first, when, as already settled, 1 per cent. will be distributed as "Tyag." On a second or third marriage, the eldest son only will be liable for "Tyag" according to the rate above stated.

No "Tyag" to be distributed at the capital of a State.

(10.) The above rules settle what may be paid, but it must be understood that, in the capital of the State itself no Sardar is at liberty to distribute "Tyag."

Payment of "Tyag" to a certain extent optional.

(11.) "Tyag" will be distributed strictly in accordance with the scale laid down: no enhancement or reduction should be made. But if some people, regardless of their reputation, have never given "Tyag," they need not do so in future. Such people have not hitherto been taken to task by the State, nor will any claim lie against them hereafter.

12. The amount of presents fixed should be accepted with thanks and distributed before witnesses. The recipients should not go to foreign territory, nor should they (if disappointed) use abusive language. Charuns, Raos, Dholis, &c., should be guided by the intention of the rules which have been drawn up, and each State should see that this is enforced.

Another Committee to assemble five years from present date.

(13.) Five years hence a Committee will assemble to reconsider the rules which have now been fixed to regulate marriage expenses and the distribution of presents, and after another interval of five years a similar Committee will be convened to report on the advantages or drawbacks of the arrangements.

Committee to be appointed in each State for carrying out the rules.

(14.) In every State a Committee will be appointed consisting of a Sardar, an official, and a member of the Charun and Rao castes, or with such modifications in the constitution as the Darbar may be in favour of. It will be the duty of this Committee to make arrangements for carrying out the regulations regarding the expenditure to be incurred on marriages and deaths, and on "Tyag," as well as the other instructions embodied in these rules. When a marriage

a marriage is to be celebrated, one month's previous notice will be given by the head of the estate concerned to this Committee, which will be required to see that the regulations prescribed are conformed to. The Committe will be empowered to permit, at their discretion, the attendance of those of their territory who are privileged to be present, or to make such other arrangements as they may deem expedient. The provisions of Rule 5 will remain in force for two years, after which it will be considered whether it is better to disperse the "Tyag" to the assembled Charuns, &c., or to have the money remitted to the Committee for distribution.

(15.) The fathers of some girls owing to their not possessing the means, obtain the necessary funds for their daughters' marriages from the bridegrooms' fathers. This is a most objectionable practice, and one that is opposed to the Dharm Shastro. Many fathers, although without adequate means, shun such impropriety, and adjust the marriage expenses to their present circumstances. There are others again who have neither land nor maintenance, are practically without any means, and only earn a daily livelihood as cultivators.

Regulation for the expenses of poorer classes of Rajputs, sons of the soil.

If such of these who elect to do so take Rs. 100, and spend the lot on marriage, it matters little, but no greater sum should be taken, and they should as far as possible strive not to take anything. Should it be proved that the girl's father accepts, or the boy's father gives, any sum contrary to this rule, the delinquents will be suitably punished.

Age at which marriages are to take place.

(16.) As a rule, boys and girls are married at an early age, notwithstanding that the evils of such a custom are well known to all, and need no description. In inviting attention to the subject, it seems proper to lay down that boys and girls should not be married before the age of 18 and 14 respectively.

Not to have retrospective effect as regards age of bridegroom.

Note.—As regards engagements concluded before this date, the marriage can take place as soon as the girl completes 14 years, irrespective of the boy's age.

(17.) When a widower has attained the age of 45 years, and has a son living, he should not contract another marriage.

Funeral Expenses.

(18.) The expenses on the occasion of death will be on the following scale :—

When the value of the property owned is less than Rs. 1,000 - -	⅔rds of income.
When the property is worth from Rs 1,000 to 5,000 - - - -	¼th „
Ditto - - ditto - - from „ 5,000 to 10,000 - - -	⅛th „
Above Rs. 10,000 - - - - - - - - - - -	⅛th „

Less than the above proportions may be spent, but never more.

Note.—The above rule fixes the expenses to be incurred on the occasions of deaths, but each State will make suitable arrangements for regulating other matters connected with the ceremonies.

Limit to be spent on marriage and funeral ceremonies in exceptional cases.

(19.) The sums to be expended on marriages and deaths have been set forth above, but should the proportion which has been fixed, calculated on the value of the property, yield a very insignificant sum, or if there be no property, then notwithstanding what is contained in the preceding rules, the party concerned is at liberty to spend up to a limit of Rs. 100 on a marriage, and of Rs. 75 on a death.

Heads of clans to superintend arrangements for carrying out these rules amongst their clansmen.

(20.) Besides the Committee in each State, the premier Sardar of each clan will superintend the arrangements for giving effect to these regulations.

Desirability of great publicity being given to these rules.

(21.) It is very necessary that the rules should be given the widest publicity to. To this end each State might have copies printed off, and distributed amongst all classes of nobles, jagirdars, and others. It would also be advisable to circulate copies among the officials.

(22.) As there are no Charuns in Kerowli, those from the adjoining States of Jaipur and Ulwar can go there as heretofore. The Kerowli motamid has agreed to this.

As there are no Charuns in Kerowli, men of that class allowed to go to Kerowli as usual from the States of Jaipur and Ulwar.

The 10th March 1888. { Signed by 41 representatives of the Chiefs, Jagirdars, and Charuns of Rajputana.

Signatures attested by Colonel C. K. M. Walter, Agent to the Governor General in Rajputana, and Colonel G. H. Trevor, Commissioner, Ajmere-Merwara.

A.

List of Thakurs, Sardars and Charuns.

Representatives of the Chiefs.	Representatives of the Jagirdars.	Representatives of the Charuns.
	Meywar.	
Sahiwala Urjun Singh - -	Raja Futteh Singh of Delwara	Kuvi Raj Shyamal Das.
	Marwar.	
——	Kunwar Sher Singh of Kuchawan	Kuvi Raj Morar Dan.
	Jaipur.	
Thakur Govind Singh of Chomu.	Raja Ajit Singh of Khetri -	Hur Buksh Charun of Jaipur and Kuvi Raj Buldeo of Khetri.
	Bikanir.	
Seth Nemi Chand - -	Thakur Bahadur Singh -	Chawan Dan Jiwun Dan.
	Kerowli.	
Rao Bihari Pal - - -	Thakur Esri Singh - -	Jeerum Rao Charun.
	Kishengurh.	
Gordhan Pundit - - -	Thakur Bharat Singh -	Barat Chandi Dan.
	Jhallawar.	
Lala Sunder Lal - - -	Rajawat Jait Singh - -	Kurni Dan.
	Jeysulmere.	
——	——	Kuvi Raj Sheo Dan.
	Ulwar.	
Thakur Biradh Singh - -	Thakur Hanwat Singh -	Barat Sheo Buksh.
	Sirohi.	
Singhji Punam Chand - -	——	Kuvi Raj Raghudan.
	Bundi.	
Bohra Ratan Lal - -	Hara Mokham Singh and Maharaj Hanwant Singh.	——
	Tonk.	
Pertab Singh - - -	Girwar Singh - - -	Sawant Singh.
	Kotah.	
Maharaja Chagan Singh -	——	——
	Pertabgurh.	
Madan Singh - - -	——	Esar Dan Charun.
	Dungurpur.	
Mehta Nihal Chand - -	Mahabut Singh - - -	Kuvi Raj Kesri Singh.
	Ajmere.	
——	Raja Mangal Singh of Bhinai	Barat Biradh Singh.

B.

SPEECH by *Kuvi Raj Shyamal Das* of Meywar.

COLONEL WALTER,—I, Kuvi Raj Shyamal Das, desire in the first place to offer you, on behalf of myself and brother Charuns, our best thanks for this reason, that the Rajputs and Charuns have always stood to each other in the relation of parents to children, but this connection might have been disturbed, owing to this matter of "Tyag," had you not intervened to preserve the bond, and thus opened to us the road to mutual love. We owe you a debt of gratitude for this kindness, which we shall long remember.

I am next commanded by all the Rajputana Sardars, Motamids, and Charuns, here assembled, to convey their thanks to the British Government. I will first quote from history to show the difference between the rule of former days and that of the present times, from which the good treatment which Rajputana has received at the hands of the British Government can be seen. When the country was ruled by the Hindus the arts and sciences flourished, but as there was no single emperor at the head, the people suffered somewhat from the attacks one prince directed against the other. Afterwards dissensions arose between the believers in the Vedas and the Buddhists, which resulted in much bloodshed. The arts and sciences were neglected in consequence; and there was depletion of wealth. Then came the onsets by the Mussulmans, in which Mahmud Ghaznawi and others reduced the country to decline, as can be learnt from the books issued under their names. After this ruin the Pathan dynasty from Kutbuddin to Ibrahim Lodi established its sway. The state of these times can be described in a few words. For instance, in the "Fatuhat Firozshahi" Firozshah Tuglak writes that he killed so many Hindu fakirs as to cleanse the world, and render it pure. Religious bigotry impelled these people to the commission of such tyrannical deeds.

The Emperor Baber next founded the rule of the Mogals, and during their tenure of power much blood was spilt. Sher Shahpur, after driving out Humayun, depopulated Rajputana, and besprinkled the soil with the blood of the Rajputs. Of the Mogal Emperors, Akbar was certainly good to all, but as the administration of justice was weak, tyranny was sometimes exercised, as for example, when at the taking of Chitor 40,000 inoffensive subjects were put to the sword, as is proved from the Akbarnamah.

Akbar's son Jehangir writes that some Kahars having come in the way when he was out shooting, he had their legs cut off. Jehangir's son, Shah Jehan, who is considered one of the best Emperors, used to make men fight with cheetahs and tigers. It is written in history that this Emperor directed three men to attack certain wild beasts with swords. One of them, however, killed the tiger with his dagger, and for this disobedience of orders he was put an end to with the same weapon. Of the acts of the Emperor's subordinates, it is related of Arab Khan, the Subedar of Guzerat, that having invited some travellers and merchants from Europe to an entertainment, he sent for dancing girls to attend. The women made some excuse, whereupon Arab Khan had them beheaded, and to crown matters, boasted that his family had always been distinguished for cruelty and bravery.

In the time of Alamgir those professing another creed were subjected to great hardships. In Sambat 1723, an edict went forth forbidding the teaching or learning of Sanscrit, as the Kafirs derived great assistance from a knowledge of that language. In Sambat 1734 the Jeziah tax was imposed. When the Emperor proceeded to the Juma Musjid the people complained, but instead of dispensing justice he had the streets cleared by elephants, which trampled the people to death. In Sambat 1736, the Emperor led an attack against Shekhawati, where he destroyed many Rajputs and temples. In the same way over 100 temples were demolished in Udaipur, and the authors of this destruction were given the title of "But Shikan Khan" (redoubtable iconoclast). Besides taking the lives, property, and country of the Rajas, the Mussulman Emperors perpetrated the further indignity of demanding the sisters and daughters of the conquered Chiefs. Thereafter the power of the Mogal Emperors began to decline, and then pray listen to

what our Hindu brethren the Mahrattas did. They used to gather round the big Rajas and distress them. One day it was Sindia who applied pressure, and the next day Holkar would come with his army. These incursions were stayed by presents of ready money and valuables. Next came the exactions of Amir Khan, and after him others appeared armed on the scene. When after giving away all the jewellery of the zenana and other valuables, the Rajas could not purchase their deliverance. Some of them were compelled to make over their sons and brothers as hostages. Even then escape was difficult. Failing money, the Rajas had finally to part with a portion of their territory in order to free themselves from the exactions. The memory of the cruelty thus perpetrated has not yet faded away at Udaipur. In Jodhpur, Amir Khan's tyranny was such that 30 of his sepoys killed the Maharaja's Guru Deo Nath, and afterwards walked off without the slightest fear. The Maharaja of Jodhpur having agreed to remunerate Amir Khan if he would treacherously murder Sawai Sing, Thakur of Pokhurn, was forced to seize not only the gold and silver vessels of his subjects, but also their brass and other utensils in order to keep his pledge.

In the same way Mulharao Holkar advanced with an army against Raja Esri Singh of Jaipur in support of the claims of Madho Singh. The consequence was that the Maharaja was driven to poison himself, and Holkar arranged the cremation ceremonies. The excesses committed by the Mahrattas are beyond description. Maharaja Madho Singh paid Holkar a crore of rupees, and to do this he was compelled to strip the ladies of the zenana of their ornaments. While Jaipur attacked Kotah and Bundi, the Mahratta used to achieve their aims separately. Similarly, Jodhpur levied war against Bikanir and Kishengarh. In another direction the quarrel between Bikanir and Jeysulmere was going on while the Mussalmans of Sind were harassing the subjects of both States. Holkar, Sindia, and the Peishwa between them had reduced Dungurpur, Banswara, and Pertabgarh to an abject state. Had the British Government not come soon to the rescue there was nothing to save Udaipur, Sirohi, Dungurpur, Banswara, and Pertabgarh from the impending ruin which threatened to engulf not only them, but the whole of Rajputana. When Colonel Tod arrived the income of Udaipur barely totalled Rs. 40,000 per annum; it has now by the bounty of the British Government been increased to 25 or 30 lakhs.

Rajputana will never forget the heavy debt of gratitude it owes to the British Government for wresting it from the clutches of blood-thirsty tyrants, and restoring it to prosperity. My reason for recording these facts is that I have heard the account from the lips of old people who have suffered from the Mahratta depredations, but I wish to impress upon the coming generations that they must never forget what Government has done for them. The Rajputs have long been settled in Rajputana; they have no guile, are brave and grateful for any kindness. The whole province is thankful to the British Government for appointing Colonel Walter as Agent to the Governor General, who possesses the entire confidence of all classes, from the highest to the lowest. But it is a matter for regret that such a kind and experienced officer should be soon leaving for England, and we trust that the British Government will assuredly take into their favourable consideration the wishes of us all in this matter.

C.

TRANSLATION of Urdu Address by Colonel *C. K. M. Walter*, Agent to the Governor General in Rajputana, to the THAKURS, SARDARS and CHARUNS of Rajputana; dated Ajmere, the 10th March 1888.

THAKURS, SARDARS and CHARANS of all RAJPUTANA,—I cannot tell you with what real pleasure I have heard that you have come to an unanimous decision on the question (for the discussion of which I asked you to meet me at Ajmere) of curtailing marriage expenses amongst Rajputs. I thank you from the bottom of my heart for the great pains and trouble you have

all taken in discussing this important question. The decision you have arrived at will redound to your credit wherever the question is discussed. The large expenditure amongst Rajputs on occasions of marriages in their families has been the cause of involving many of your estates in heavy debt, and sometimes indeed in almost ruin. The subject of curtailing these expenses has been on my mind for many years past. Attempts have from time to time been made in Meywar, Marwar, and Jaipur, to introduce rules with this view, but they have never worked properly, owing to each of the States having adopted a different system, and my great desire has always been to endeavour to get one system inaugurated throughout Rajputana, and this has now through your efforts been accomplished. I am most grateful, and now beg to return my best thanks to all the Chiefs of Rajputana, who so cordially agreed to assist me in carrying out this measure, and for their having sent to Ajmere, representatives from each of their States. The decision at which you have arrived, fixing the age of the bride at 14 and of the bridegroom at 18, is one for which I am very thankful. Early marriages, all agree, are objectionable, but there have been difficulties in making any change in this matter. You have, however, finally decided the question, and future ages will be grateful to you for having done so. I am very grateful to the Charuns for their cordial assistance in settling these questions, especially that of the distribution of Tyag, which so nearly affects themselves. And now, Kuvi Raj Shyamal Das, I thank you very much for the very eloquent speech which you on behalf of all the delegates have just made. I may say that no one in Rajputana is better fitted than yourself to review the past history of India, for you have made this subject the study of your life. It must always be a source of gratification to the Government of India, and to all its officers, to hear such an unanimous testimony as that just given, to the advantages of British rule over that of all others that have gone before. Under British rule Rajputana has prospered as she never prospered before. In the early part of this century, as you have well described, all was chaos and confusion, and had it not been for the intervention of the British Government some States would have fallen, perhaps never to rise again. You all well know that Her Majesty the Queen-Empress has no other desire than to see every Native State prosperous, happy, and contented under its own Ruler. You acknowledge that the benefits all have received from British rule has been great. In return for this it behoves one and all, those who are the Rulers of States, and those who under their Rulers possess large estates—and amongst the latter category I see many before me now—to rule their country and manage their estates in such a manner as to secure, as far as possible, justice and prosperity to all. Times are changing, the march of civilization is advancing fast, education is spreading everywhere, but in Rajputana we are far behind the rest of India in the matter of education. I have grown old amongst you, more than 30 years of my life have been spent in Rajputana, and I have never ceased to impress upon you the necessity of giving your children a good education. With this object the Mayo College, to which all the States of Rajputana so generously contributed, was established. It has now been working for several years, but the number of pupils is not nearly so large as it should be. I hope to discuss this question very shortly at a meeting of the Mayo College Council which is about to be held, but in the meantime I commend the subject to your earnest attention, and beg of you to send your sons to the college. Times are changing as I said before; some people say that Rajputs are changing with the times, that the Rajput who fought so bravely in years now happily long gone by, have lost their warlike qualities; I am not one who believes this. I know full well that if ever the time should come to call upon Rajputs to sally forth for the protection of this great Empire of Hindustan, the Rajputs of Rajputana will be found fighting shoulder to shoulder with the armies of Great Britain, and will then show by deeds as well as by words that what has been done for them by my countrymen has not been done in vain.

For what you have been pleased to say of myself personally I return you my most grateful thanks.

Enclosure, No 2.

No. 1501-I., dated Simla, the 21st April 1888.

From *H. M. Durand*, Esq., Secretary to the Government of India, to Colonel *C. K. M. Walter*, Agent to the Governor General in Rajputana.

I HAVE laid before the Governor General in Council your letter* of the 23rd ultimo, reporting the adoption by the States of Rajputana of certain important social reforms.

* No. 277-C.

2. A large and representative Committee, comprising delegates from almost every State, lately assembled at Ajmere on your invitation; and its members succeeded in drawing up, spontaneously and unanimously, a set of regulations, which treat, in a liberal and conprehensive manner, the delicate subjects of early marriage among Rajputs, and of expenses on the occasions of marriages and funerals.

The rules were publicly read out in your presence, were assented to and signed by the members of the Committee, and will, you believe, be effectively carried out by the States concerned.

3. I am to inform you that the Governor General in Council has read your letter with much interest; and desires to congratulate you cordially on the results of your efforts to promote the social welfare of the Rajput clans. This success is regarded by the Government of India as largely due to your exceptional experience of the country, and to the confidence you have won from its rulers and people. The Governor General in Council also recognises in the proceedings of the Committee substantial signs of the spread of a liberal spirit in Rajputana; and His Excellency the Viceroy trusts that the Chiefs amongst whom you have served so long will continue to prove the appreciation of your honourable career by steadily developing the measures which they have inaugurated under your guidance.

INDIA (MARRIAGE AND FUNERAL CUSTOMS).

RETURN

To an Address of the HOUSE OF LORDS, dated 17th July 1888,

FOR

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OF

CORRESPONDENCE

RESPECTING

AGRICULTURAL BANKS IN INDIA.

India Office,
9 September 1887.

JOHN E. GORST,
Under Secretary of State for India.

(*Mr. Samuel Smith.*)

Ordered, by The House of Commons, *to be Printed,*
16 *September* 1887.

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COPY

OF

CORRESPONDENCE

RESPECTING

AGRICULTURAL BANKS IN INDIA.

— No. 1. —

From the Secretary of State for India to the Governor General of India in Council No. 8 (Legislative), dated 15th February 1883.

1. I HAVE considered in Council your Letter, No. 137, Legislative, dated 6th November last, forwarding a copy of a Bill to consolidate and amend the law relating to agricultural loans.

2. I have no remark to make at present on this Bill, except with reference to Sections 4 and 6.

3. As regards these sections, I presume that it could not have been your intention to base so important a measure as the establishment of agricultural banks encouraged and aided by the State upon a few words introduced into a Bill of a purely technical character, especially if the banks are to be permitted to extend their operations to other purposes beyond that of the improvement of land, as it would appear from some observations in the Honourable Major Baring's speech of 2nd November is contemplated.

4. I view with sympathy the objects aimed at by those who at different times have advocated the establishment of State-aided agricultural banks in India, and am not without hope that some measure of the kind may hereafter prove feasible. At the same time, I cannot close my eyes to the great practical difficulties which surround the subject. And I am clearly of opinion that the policy of introducing any Bill which sanctions the adoption of the principle that Government agency may be applied to recover loans made by private persons or companies, should be considered by the Secretary of State in Council before the Bill is brought into the Legislative Council.

5. For these reasons, I consider it inexpedient to retain in the Bill now under consideration the clauses which apply to loans other than those made directly by Government.

I have, &c.
(signed) *Kimberley.*

— No. 2. —

From the Secretary of State for India to the Governor General of India in Council, No. 10 (Revenue), dated 7th February 1884.

I FORWARD herewith, for the information and consideration of your Excellency's Government, a copy of a letter from Sir W. Wedderburn, Bart., of the Bombay Civil Service, describing the steps which he has taken, while in this country on furlough, to make known to the English public the scheme for the establishment of an agricultural bank in the Deccan, in which he takes much interest.

(signed) *Kimberley.*

Enclosure 1, in No. 2.

14, St. James's-square, London, S.W.,
13 December 1883.

Sir,

As I am about to return to India on the expiration of my leave, I beg permission to submit the following statement on the subject of Agricultural Banks in India, for the information of Her Majesty's Secretary of State for India in Council.

2. In their Despatch, No. 658 R.,* of the 5th December 1882, the Government of India set forth the outlines of a scheme for establishing an agricultural bank in the Poona District, and stated that they attached very great importance to the experiment. They, at the same time, suggested to the Bombay Government to communicate through me with the local capitalists who might be willing to promote the undertaking. Accordingly, before I left India, I consulted the local committees formed in Poona and Bombay, and communicated the results to the Bombay Government. It appeared, however, that, in order to obtain proper support for the scheme approved by the Government of India, it was desirable to make the proposals known in England; partly, because joint stock enterprise is unfamiliar to the natives of India outside the Presidency towns; and partly because an English connection is requisite in order to give the bank a position in the European money market, and enable it to place its debentures and raise the necessary working capital upon reasonable terms.

*See page 24.

3. For these reasons I have, while in England on furlough, occupied myself in making the scheme known; and I have now the honour to report the steps that have been taken towards obtaining support from the English public. On the 5th of July last a meeting was held at Exeter Hall, under the auspices of the East India Association, the Right Honourable John Bright, M.P., presiding. On that occasion I read a paper entitled "The Poona Ryot's Bank, a practical experiment;" and a discussion followed in which Sir James Caird, and other practical authorities, took a part. The debate was favourable to the scheme; and next day the "Times," "Daily News," "Standard," and other London papers gave their approval to the proposals. In the annexed pamphlet, "Papers relating to Agricultural Banks in India," will be found the reported proceedings of this meeting. In the same pamphlet is also contained an account of a deputation of Poona bankers to His Excellency the Governor of Bombay, and his reply to them; also (for convenience of reference) a reprint of the Despatch of the Government of India already referred to.

4. On the 19th of October last, on the invitation of the Directors, I read a paper on the same subject before the Manchester Chamber of Commerce, under the presidency of Mr. G. Lord, the Chairman. The paper (of which printed copy is annexed) was entitled "Government concessions to Agricultural Banks in India." A resolution in favour of such banks was moved by Mr. John Slagg, M.P., and seconded by Mr. Houldsworth, M.P., and a second resolution was moved by Mr. Armitage, M.P., and seconded by Mr. Steinthal, Deputy Chairman of the Chamber, proposing to forward a copy of the first resolution to Her Majesty's Secretary of State in Council. Both of these resolutions were carried unanimously.

5. After the meeting of the Chamber was closed, a corresponding committee was formed to take practical steps in support of the Poona experiment. The following are the names of the gentlemen forming that committee:—Mr. John Slagg, M.P., Mr. W. H. Houldsworth, M.P., Mr. B. Armitage, M.P., Mr. George Lord (Chairman of the Chamber of Commerce), Mr. Steinthal (Deputy Chairman), Dr. Pankhurst, and Mr. W. F. Peel.

6. As regards London, I have not had time to complete arrangements for a committee; but I may mention that, on the introduction of Mr. John Bright, I had an interview with Sir Nathaniel de Rothschild, M.P., who had already expressed himself interested in the proposal. He informed me that, if addressed by the authorities at the India Office, and satisfied regarding the terms which would be granted, he would be prepared to give the scheme favourable consideration. He added, that if the terms seemed satisfactory from a financial point of view, he did not think there would be difficulty in obtaining the capital necessary for the proposed experiment.

I am, &c.
(signed) *W. Wedderburn,*
Bombay Civil Service.

The Under Secretary of State
for India.

Enclosure 2, in No. 2.

PAPERS RELATING TO AGRICULTURAL BANKS IN INDIA.

A Proposal from the Poona Bankers regarding Agricultural Banks.

On Monday, the 20th November 1882, a meeting was held at the residence of Mr. Chintamanrao Vishwanath, *alias* Bhau Saheb Natu, of the leading capitalists of Poona and others interested in the foundation and successful working of Agricultural Banks in India. The district collector and magistrate, Mr. J. G. Moore, and the district judge, Sir William Wedderburn, Bart., were both of them present, while Mr. Moore was unanimously voted to the chair. Resolutions were passed at the meeting, expressing the readiness of those assembled to establish an agricultural bank by way of an experiment for the benefit of the rayats in the Purandar Taluka of this Collectorate, provided the Government granted all the requisite concessions and countenance. Before the meeting dispersed, an influential Committee was appointed to correspond with Government and the capitalists in Bombay and Saswad upon the subject. As arranged at that meeting, a deputation from the Committee waited upon His Excellency the Governor, at the Ganeshkhind Government House, on Thursday, the 23rd November, at 4 p.m. The deputation was headed by Sirdar Rao Bahadur Viziarangam Mudliar, and was composed of the following gentlemen: Mr. Trimbakrao Narayan Rajmachikar, Mr. Balwantrao Ramchandra Natu, Mr. Chintamanrao Vishwanath Natu, Mr. Vithalrao Narayan Natu, Mr. Govind Mahadeo Gadre, Mr. Dorabji Dadabhoy Boottee, Dr. Vishram Ramji Ghellay, Mr. Hindumal Balmukund, Mr. Ramnath Tarachand, Mr. Mahadeorao Yeshwant Raste, Mr. Raghunath Daji Nagarkar, Mr. Haribhai Nanubhai, Mr. Govind Chintaman Joga, Mr. Shivaram Hari Sathe, and Mr. S. H. Chiplonkar. Besides the gentlemen of the deputation there were present Sir William Wedderburn, Mr. J. G. Moore, and Mr. W. H. Crowe. Rao Bahadur Mudliar introduced his colleagues to His Excellency, and with the permission of His Excellency requested Mr. Chiplonkar to read the statement which the Committee had prepared, whereupon Mr. Chiplonkar read as follows:—

To His Excellency the Right Honourable Sir James Ferguson, Bart., K.C.M.G., C.I.E.,
Governor of Bombay.

Poona.

May it Please your Excellency,

We, the members of a committee appointed on Monday last, at a meeting of the local capitalists interested in the establishment and successful working of an agricultural bank, by way of an experiment for the benefit of the Purandar Taluka of this district, beg leave to approach your Excellency with a brief statement of our views on the subject. We were glad to learn, from the debate in the Supreme Legislative Council on the occasion of the introduction of the Agricultural Loans Bill, that the Government of India have had this important subject under consideration for some time past, and that they have forwarded for the consideration of your Excellency's Government certain proposals connected with the subject. And we were exceedingly gratified to learn from Sir William Wedderburn, Bart., our district judge, on Monday last, that your Excellency, who has had a practical acquaintance with the working of similar institutions in other parts of the world, is prepared to give cordial assistance to the practical working of the scheme here, and that the knowledge of your Excellency's favourable disposition has influenced the Government of India in deciding that this Presidency should have the advantage of the proposed experiment. With your permission, we beg to state that in the early part of this month two preliminary meetings of some of the leading capitalists in Bombay were held at the residence of the Honourable Rao Saheb Vishwanath Narayan Mandlik, C.S.I., and that they are willing to take the lead in this movement under due encouragement from your Excellency's Government. In the same way some of the leading capitalists of Saswad, the headquarter town of the Purandar Taluka, assembled early this month at the residence of Rao Saheb R. S. Tipnis, sub-judge of that Taluka, on which occasion they expressed their willingness to materially assist in the successful working of the proposed institution.

With your Excellency's permission we shall now proceed to state briefly our views upon the subject of agricultural banks. Owing to a combination of various circumstances, to which it is not necessary to particularly refer, the relations between the sowcar and the rayat are anything but cordial and satisfactory as they once used to be. Though the sowcar has been admitted to be almost as necessary to the rayat as the seed he sows and the rain which fructifies it, still, the combined circumstances referred to above have taught the latter to look upon his creditor in the light of his uncompromising antagonist rather than as a sympathetic collaborateur, each existing for the benefit and advancement of the other. The establishment of agricultural banks would go a great way towards rehabilitating both the sowcar and the rayat in their former mutual goodwill and mutual confidence. The rayat wants capital at a reasonably low rate of interest,

while the sowcar wants a safe investment for his capital, and is ready to be content with a small profit if only he has facilities afforded him for the punctual recovery of his just dues. Both these conditions will be fulfilled by the establishment of a bank like the one we contemplate to establish under due encouragement from your Excellency's Government. We respectfully beg to submit, for the favourable consideration of your Excellency's Government, some of the principal privileges which the bank should enjoy in return for the concessions which it would be prepared to make.

We believe that it is the intention of Government as a preliminary step to appoint a Special Commission, including representatives of the sowcars and the rayats, to inquire into and settle by composition the existing secured and unsecured debts in the Purandar Taluka, and we would suggest that the Commission should be instructed that the amount of the award should, in no case, exceed 50 per cent. of the value of the land which the rayat owns. In the absence of full information we approximately estimate the amount required for these settlement operations to be 650,000 rupees, which amount, it is hoped, will, in the first instance, be advanced by Government. The bank will, during the course of two years, pay back the money to Government with interest at 4 per cent. We would further respectfully propose that the instalments due to the bank should be made a first charge upon the land after the Government assessment, and that they should be collected through the revenue officers like the Tagai advances made by Government. It is hoped also that Government will see their way to a total remission of the stamp duties, court fees, and registration fees upon the operations of the bank. In consideration of these principal privileges we undertake not to charge more than 12 per cent. interest upon our advances to the rayats. These advances shall not exceed 75 per cent. of the value of the lands of the debtors, and they will be for general purposes and not for land improvement only. We also engage to keep our account books in a form prescribed by Government, and will submit them for inspection and audit to any officer appointed by Government for the purpose, but express a hope that no fees will be charged for the same. The bonds also will be prepared in a form prescribed by Government, and every loan will be registered in the office of the collector or any sub-divisional officer as Government may direct. Moreover, in those years when owing to scarcity Government will remit or suspend its land revenue demand, we shall not expect any Government assistance in the recovery of our instalments. There are other points of detail which must still receive the careful attention of the committee, and we hope that when submitted they will also receive the favourable consideration of Government.

It is proposed that the bank should have a subscribed capital of 10,000,000 rupees in shares of 500 rupees each, and of this amount 100 rupees per share will be called up, the unpaid capital remaining as a security to debenture-holders and depositors of the bank. In addition to the unpaid capital, the debenture holders and depositors of the bank will have as a security the total mortgages held by the bank which will exceed the total amount advanced by an estimated margin of 33 per cent. Out of the 100 rupees per share paid up it is proposed that a half should be employed in the business of the bank, and that the other half should be invested in Government securities as the nucleus of a reserve fund to be an additional security to the creditors of the bank. It is further proposed that all profits in excess of nine per cent. per annum shall be credited to the reserve fund until the total of the reserve fund amounts to three lakhs of rupees

In conclusion, thanking your Excellency for your kindness in having received this address at our hands.

We beg to remain your Excellency's obedient servants.

His Excellency, in reply to the statement from the deputation, said that he was glad that so numerous and influential a body as those whom he saw now before him had given such early consideration to the important subject of agricultural banks. He said that ever since Sir William Wedderburn and the Honourable Rao Saheb Vishwanath Narayan Mandlik had spoken to him on the subject he had taken a personal interest in the matter, and he had been desirous that the scheme should be tried. For although he trusted that the Deccan Ryots Relief Act might greatly relieve the indebted class, something more was wanted for the future to provide at a reasonable rate the advances of money which were incidental needs of the small cultivator, and here he might say that it was too much the fashion to speak of the sowcar as if he were a dragon or a vampire. Very likely there were often hard bargains driven with the small borrowers, but on the other hand, he believed that the money-lender was often regarded by the cultivator as a friend and patron with whose assistance he could ill dispense. Speaking of the success which has attended Sir William Wedderburn's conferences with the Members of the Supreme Government at Simla, His Excellency said, he had not expected that the Government of India would be prepared to make such important concessions as they have expressed their readiness to make, and in the suggestions which he had previously made had assumed that the undertaking would have to depend upon private enterprise alone. The liberality of the Supreme Government would, of course, remove some serious difficulties which stood in the way of a private experiment. His Excellency then said that what always struck a stranger coming to India from the other parts of the world was the fact, that while there was no lack of means or of individual enterprise among the people of India,

India, there was a want of combined organisation which in Europe and elsewhere had taken so much form in joint-stock enterprise. He said he knew several financial institutions of the kind now proposed to be established in the Deccan, and that these institutions in the United Kingdom and the British Colonies were financially so successful that both the shareholders in these institutions, and the landowners, for whose special advantage they were established, were largely benefited by them. His Excellency then particularly referred to a company in New Zealand whose working capital now amounted to three millions sterling, and which for many years paid 15 per cent. dividend to the shareholders, in addition to having formed a reserve fund amounting to about 300,000 *l.* This company in New Zealand, which was only one of many in that colony and in Australia, was carrying on its operations without any assistance whatever from the State, and he hoped that though at the commencement some countenance from the State would be necessary to place the usefulness of such institutions beyond all question, a time would soon come when capitalists in this country would learn to work independently of Government assistance. He believed that what was wanted to induce capitalists to accept such investments was only a visible security for the capital, and that if this could be obtained they would be content with an interest of 6 per cent. per annum instead of 9 per cent. net as laid down in the statement. His Excellency said that, for his part, he was favourably disposed towards the scheme, which his interviewers proposed to try experimentally in the Purander Taluka, and that, when the Government met at Bombay next week, he and his honourable colleagues would give their best consideration to the proposals contained in the statement. Referring to the last paragraph of the statement, His Excellency said that even in those countries where such financial institutions enjoyed no special privileges from the State, the paid-up capital was generally only one-tenth of the subscribed capital, the balance constituting an additional security for the mortgage debentures. They proposed to raise one-fifth, and the balance for operation would be less, but the preliminary aid of Government would be an ample compensation. In conclusion, His Excellency once more expressed his satisfaction in learning that the money-lending profession were disposed to give their material assistance to the scheme, and that they had placed their proposals before Government, which he promised would receive careful consideration.

From *E. C. Buck*, Esq., C.S. (No. 658-R).

(*See* Enclosure in India Letter, No. 7, of 31 May 1884, p. 24.)

LAND BANKS for *India*. (Extracted from "The Times" of 5th July 1883.)

YESTERDAY afternoon a meeting was held in the lower Exeter Hall, under the auspices of the East India Association, to hear a paper by Sir W. Wedderburn on "The Poona Ryots' Bank: a Practical Experiment." Mr. Bright, M.P., presided, and among those present were Sir J. Caird, Sir George Birdwood, Sir G. Campbell, General Sir Orfeur Cavenagh, Lord Reay, Lord Stanley of Alderley, Mr. S. Smith, M.P., Mr. Barclay, M.P., Mr. S. Keay, Major Evans Bell, and Babu L. Ghose.

Mr. *Bright*, on taking the chair, said, "I need not enter into any apology or explanation for my being here to-day, and for taking the bold step of occupying the chair at this interesting meeting. It is known to many here that I have for a very long time taken a great interest in Indian affairs. Twenty-five or thirty years ago I devoted very much time and attention to them in connection with changes in the Indian Government and the legislation I thought necessary to the advantage of that country. I feel that I ought to be here, not so much to teach as to learn, because there are on the platform and in the meeting many persons who have spent years in India, and who know infinitely more about it than I can pretend to know, notwithstanding much conversation on the subject and a considerable amount of reading. It is satisfactory to feel that we are here to discuss a question which has nothing in it that can excite strong controversy or anything of the nature of passion; that we are not discussing the form in which Indian government should be carried on, or the policy of the Government, whether of the present Governor General or of his predecessor, or the possible policy of any future successor he may have. We do not require to discuss any of the questions which are now in controversy as between the covenanted and the uncovenanted services, or between the natives and the Europeans in India. The question we have to consider is of the greatest possible moment. At the same time, happily, it is one which need not, and, I think, cannot, excite any very strong difference of opinion. Great as is its importance at the present time, every day its importance is increasing, and if now it should be neglected, the time must come before long when it will force itself upon the opinion and the policy of the Government of India and the Government at home. It is known to every one who has been in India, and to everybody in this country who knows anything about India, that the population of that vast country is to a larger extent than in most other countries agricultural. It is estimated that no fewer than 80 out of every 100 persons living in India are engaged

more or less directly in its agriculture, and it is said that if we were to take every 100 persons connected with Indian agriculture, the peasantry, or ryots, or cultivators, or whatever we may call them, we should discover that there are about 20 out of every 100 who are in a condition to carry on their operations as farmers without assistance from bankers or from other persons who lend money; that there are a larger number, some say 30 out of every 100, so hopelessly poor that it would seem to me almost impossible that they should borrow or ever be able to repay; and it is said that the remaining half of every 100 are in a condition such that it might be judicious in some circumstances to lend them assisting capital with a fair chance that the loan would in some reasonable time be repaid. If that be anything like a fair representation of the condition of the agricultural population, the question seems to be, Can anything be done to assist these 50 out of every 100 to whom loans may be made with any expectation that assistance would greatly improve their agriculture and increase the produce of their farms, increase also the comfort of their families, and that there would be a fair probability that the loans, with a reasonable interest, might be repaid? The fact, if it be a fact, that 80 per cent. of the agricultural population require to borrow is an astounding and distressing fact; the fact that 30 per cent. are so hopelessly poor you can scarcely expect to improve their condition by lending to them, and the fact that 50 per cent. require loans, and require them with a fair chance of their being able sometime to repay the loans, these facts seem to show that the vast bulk of the agricultural population is in a condition very unsatisfactory. How it arises I know not. I am not here to explain it. Probably some gentlemen more acquainted with the country can give an explanation which I dare not venture upon. I suppose that in some cases the taxes have been too heavy, and that the ordinary reasons why the people in every country, why some people, are poor is that they are ignorant with regard to the occupation in which they are engaged, and that they are imprudent in some of the transactions into which they enter. Of course bad seasons might bring this state of distress much more widely home to the people, but I do not understand that this state of things arises from bad seasons just at this moment, but is rather the common condition of the agricultural population of India. Now, one thing is surprising to any person connected with business in England. It is to be told that these small cultivators in India, if they borrow money from the native bankers of the district, pay a rate of interest which in this country we should feel to be altogether destructive to any industry, that 12 per cent. is a very moderate rate of interest indeed; that some pay 24 per cent., and that some, I do not know whether they pay it, but they undertake or engage to pay as much, perhaps, as 30 or 36 per cent. Well, it is obvious to anyone who knows anything of these matters that capital employed in agriculture in any country must be absolutely unprofitable to the cultivator if he has to pay a rate of interest such as even the middle sum which I have mentioned, that is, 24 per cent. Now, the object of the meeting to-day is to discuss a question and a scheme which proposes to offer to the Indian cultivator a reasonable amount of loan for a reasonable interest, and to improve the mode in which the interest is annually collected, so that it would not be necessary to go through the courts, and to make an absolute ruin and a beggar of the man who finds that he is behind in the regular payment of his interest. There is one very curious, and, to me, interesting feature in the case, as it will be submitted to us, and that is that the bankers themselves who lend money at these extreme rates of interest are themselves sensible that it would be an advantage to them if the rate of interest was lower and if the security was better, and if the interest could be collected in some manner which would cause less suffering to the borrower and the tenant; and that the bankers themselves are willing to contribute to a large extent funds which should enable some banking system to be established which should give this great relief to the cultivating population of India. I am not at all sure that the bankers would be all of this opinion, or that they would be willing or able to subscribe from the funds of the banks as much as it might be necessary to have in order to carry on the work which is intended. It would be of very great advantage to India if this system could be established in such a manner that confidence in its solidity and security should be created in England, and that the managers of these loan societies or banks, loan societies, perhaps, is a better name, should be able to secure additional funds in this country, invested by capitalists here, in order that they might have power more widely and extensively and completely to carry out a system which seems likely, in my view, and in the view of many such more competent to judge than I am, to be of immense advantage to the present cultivators in India. The relief that will be offered to the ryots by a scheme of this kind is one that would give them great freedom from the grip, shall I say, of the money lender, whose rate of interest is so high that it is almost, and in many cases quite, impossible that it should be paid. While it would set them free from this extreme pressure, it would give the ryots hope with regard to the future, and every man on his little farm would cultivate it with more resolution, and I doubt not with more success, if he had a confident or a fair hope that this industry would be fairly repaid. A scheme something like this has been tried in some European countries, and, I believe, has succeeded so far as to give a fair expectation that we might look for its success in India. The experiment which is now about to be proposed is one, not of a great scheme all over that country, or over any considerable portion of it, but with regard to a particular district, so that the experiment might be tried at an early period, fairly worked, and that at no very long period the managers of it would be able to state to the people in India, to the bankers all over India, and to persons in England who have money for the

purpose

purpose of investment, what the result has been. If the result is favourable in this district where the experiment is first to be tried, of course the effect of it would be great in India and great here; for there are many persons there and here who have money to invest, and just now everybody who has money, and they are a minority everywhere, feels very great difficulty indeed in obtaining what he considers any fair interest for the capital which he has to invest. The prospect, the political prospect, in India would be greatly improved if such a scheme as this could succeed, because if you have the vast population in a state of constant distress, they must be in a state of constant discontent of some kind; and if it were possible by some large and widely extended scheme of this kind to bring comfort into the homes of the cultivators, there could be no doubt that, with more comfort and a greater degree of happiness in their families, there would be a greater degree of contentment, and they would look up with somewhat more of satisfaction to the Government who controls their affairs. As to England, I need not tell you how much advantage it would be to us here, all over the country, I believe, but especially in the county from which I come, and in the trade with which I have been all my life, to some considerable extent, connected. At present, our trade with India, if you look at it in the sum, is very large; but if you look at it as compared with the vast population of the Indian empire, it is only small. Everything that you do, and that is done, to add to the comfort and the independence of the cultivating population in India, the investment of money there through their bankers, or the investment of money from England through associations of this kind, everything that is done would tend to increase the consumption in that country of the manufactures of this country which it is customary to export there. Therefore, we as a people here, with our population increasing, seeking for employment, wishing for good wages, and looking for comfort in their homes, must view the matter to be discussed at this meeting as being indirectly to a very large extent important for us, and it should at least induce us, if possible, to give a favourable consideration to any rational, any just, solid, scheme by which the condition of the Indian population can be improved. This meeting, though not composed of thousands, as many meetings in this country are, is, notwithstanding, very important, I conclude, and very influential as respects the particular question which is to be brought before us. If there be one place in the world and one people in the world whose interests we are bound to consider, it appears to me that country is India, and that people is the population of India. Mostly through the policy of our fathers, that vast empire, with its countless population, is placed under the Government of England. It may be so for a long period; but, be it long or be it short, we, at least, who have not the responsibility of the conquest, and do not look for further acquisitions of territory there, we have a great and solemn duty laid upon us, a duty in which our own interests are concerned just as much as the interests of the population of India. If there has been wrong done to the people of that empire in past times, and doubtless there has been much wrong, let us, in our day and generation, at least, if it be possible, make such compensation as may be in our power, by dealing out to them, in every form which comes before us, that mercy and that justice which a distant conquered people have a right to demand from us. I have now to call upon Sir W. Wedderburn to read the paper he has prepared for this meeting, and of which I have given you the faintest outline. Judging from my view of the paper itself, I think you will hear it with very great interest.

Sir *W. Wedderburn*, in his paper, made a statement of what had been done towards establishing agricultural banks in India, and said his object was to ask for help in obtaining for the undertaking the support of the English public. Though land banks had prospered in other countries, they were new to India. The first thing to be done was to acquire a certain amount of local and special experience by observing the actual working of such an institution in India. This it was proposed to do by starting an experimental bank, under good local management, upon a limited scale, and within a limited area. For various reasons the Poona district had been selected for the experiment; and the system followed would be that which had been found most successful in practice elsewhere, modifications being gradually introduced as experience may suggest. It was necessary to have a clear view of the peculiar position of the cultivator. In the Deccan the arrangement is a sort of partnership between the ryot, who is a peasant proprietor, on the one part, and the village soucar, who is the local capitalist, on the other. The ryot owns the land and the cattle, and supplies the labour by himself and his family. On the other hand, the soucar maintains the whole party until the harvest becomes available, and provides cash to pay the Government assessment, and for incidental expenses, as when a bullock dies, or when a marriage has to be celebrated. He also generally supplies the seed corn. The crop thus obtained is shared between them; and this arrangement is a fair one, seeing that any profit that may accrue is the result of the ryot's labour and the soucar's capital. To use the words of Lord Cranbrook, the existence of the money-lender in the village polity is as essential as that of the ploughman. This customary dependence of the ryot upon the village soucar is permanent and necessary, the co-operation of the money-lender being to the ryot one of the conditions of his existence. In the Deccan the ordinary monthly rates of interest are at 1, 2, and 3 per cent., according to the credit of the borrower; that is, the ryot with good credit can get money at 12 per cent. per annum; the man of middling condition pays 24 per cent., while 36 per cent. and even more is demanded from the man who

needs money badly. For the average borrower we may take 24 per cent. as the rate It is quite evident that no system of agriculture can pay if burdened with such a charge upon the capital employed. We have examples before us in Europe of popular land banks which have been in operation for many years, and are still spreading with the greatest benefit to all concerned. Land banks, under the name of mortgage debenture asssociations, were first founded in Prussia by Frederick the Great, and they have attained special development among the peasant proprietors in the Rhine provinces and in Italy. The details will be found in a Blue Book published in 1870. In the Australian Colonies the system of mortgage banks seems to have specially prospered, yielding dividends of from 15 to 25 per cent. to the shareholders. The experience in Egypt is also encouraging, especially as regards India. For there two companies, one English and one French, have been working with considerable success; and the position of the Egyptian cultivator bears a close analogy to that of the Indian ryot. All these institutions carry on their loan operations with borrowed money. The secret, indeed, of their financial success depends upon keeping down the amount of their own paid-up capital upon which a dividend has to be earned, while making their loans to landholders out of capital borrowed from the general public at low rates of interest. For nearly half a century the relations of the ryot to the soucar have exercised the mind of the Bombay Government. It was seen on the one hand that the ryot could not exist without the money-lender, and on the other hand, that by constant borrowing he was falling into hopeless debt. The problem was how to supply him with capital without the loan becoming the cause of his ruin. The silent struggle between the ryot and the soucar did not receive special notice until the subject was forced upon the public attention by the serious agrarian disturbances of 1875, when the chronic antagonism of the classes broke into open hostility. The Deccan Riots Commission was then appointed. And in 1879 their report resulted in the legislation known as Mr. Hope's Act, the chief feature of which was to "disarm" the creditor, by taking from him the power of recovering debt by imprisoning his debtor and selling his land in execution. In March 1881 a rough project for an agricultural bank was drawn up under the auspices of some leading capitalists in Bombay, and the Hon. Mr. Mandlik introduced in the Local Council a Bill for its due incorporation. The Government of India responded in the most liberal spirit, agreeing to carry out a voluntary liquidation by way of experiment in one division of a Deccan district in the way proposed. They also agreed to advance the cash necessary to compromise the claims, the amount to be collected from the ryots in moderate instalments over a term of years. A similar liberal spirit has been shown as regards the collection of the bank's future advances. The Government have agreed that the bank's advances should be treated as advances made under the Land Improvements Act, and recovered when necessary through the revenue officers of the district and village, instead of by the machinery of the courts and bailiffs. The policy of the Government was announced in November last by Major Baring, in his speech on the Bill to amend the Land Improvements Act. He explained that Government wished as far as possible to improve the system under which agricultural advances from the Treasury were made and recovered under the Act, but that they hoped much more from the encouragemement of private enterprise. Meetings were held at Poona, and a committee formed; and on the 23rd of November last an influential deputation of leading capitalists waited on his Excellency Sir James Fergusson, at Government-house, and set forth in some detail the arrangements which, according to their experience, would be the best in order to establish an experimental bank in the Poona district. In reply to this address his Excellency expressed his sympathy with the movement, and mentioned that he had personal experience of similar institutions in the Australian Colonies, which had been very successful. He referred specially to one in New Zealand whose working capital was three millions sterling, which had paid a dividend of 15 per cent. for many years, and had accumulated a reserve fund of 300,000 *l.* The special advantages of India as a field for such an enterprise are the large margin of profit from cultivation when capital provides irrigation and manure, the merits of the ryot as an honest debtor, the existence of a skilled agency for money-lending, and the favourable attitude of Government. He wished all present could witness the almost magical transformation effected round the city of Poona by means of water and manure. In no other country does capital employed upon land give so rich and so certain a return. The ryot is a model paymaster, being filled with a religious desire to pay his debts, not only those incurred by himself, but also those incurred by his father and even remoter ancestors. To leave ancestral debts unpaid is in his eyes a shameful thing; it is as though he refused to his father due funeral rites. This strong religious sentiment is indeed the sheet anchor of the ryot's credit. In the hereditary trading class of India is an unrivalled agency for the distribution and collection of loans. At present the actual money-lending business of the Deccan is in the hands of native soucars, chiefly Marwadis. These local capitalists thoroughly understand their business: in each village they can tell you to a nicety the means and character of the individual ryots, and they are very shrewd, patient, and economical in their management. About one-half the total capital acquired has already been offered from the four Deccan districts. As to the special disadvantage attaching to such an enterprise in India, from a banking point of view, there is no real and serious difficulty except that arising from the poverty of the individual ryot and the want of solidity in the security he is able to offer. He is, indeed, the absolute proprietor

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of his holding, subject to the payment of the Government assessment; and if this Government demand were either fixed or limited in a definite way, the security would be good; but this is not the case, the demand being liable after 30 years to an enhancement which may swallow up the margin of profit upon which the mortgagee depends. The Poona Committee have asked that in the area of experiment the existing rates should not be disturbed for a period of 20 years from the present date. He submitted that the facts set forth showed that the undertaking rests on a good commercial basis, and he asked the meeting to encourage the local efforts made in India by securing for the enterprise some active and effectual support in this country.

Sir *James Caird* complimented Sir William Wedderburn on the clearness and ability of his paper. The experiment which he described was worthy of careful trial. Agriculture could not prosper in any country where 24 to 36 per cent. was the rate charged to the cultivator for the use of capital. In the native States the law did not allow the ryot's debt to do more than double itself, nor could his land be seized by his creditor. There was thus a wholesome check on the soucar, which our law in British India did not afford, and the Government was the more bound to assist in finding a remedy. It might be useful in the consideration of the subject to look at the peculiar distinctive features which characterised Indian agriculture. One-third of the people lived on rice, and two-thirds on grain other than rice. They did so because these respectively were the kinds of produce which the climate and soil of distinct parts of the country specially favoured. The rice country had either an abundance of rainfall, or was so situated on the plains as to have the command of river irrigation. The cultivators there showed great skill and aptitude in their business. Land fetched very high prices when passing by sale from one to another, and the annual crop left a large surplus for export. The grain-producing parts of India, on the other hand, were in the more elevated lands, in the comparatively dry regions where rain sometimes failed, and where the country was at too great an elevation to admit of river irrigation. This was much the most extensive region, and two-thirds of the people had to look for their food from it. It was here that "the poverty-stricken masses of India," as described in a recent Government Despatch, were chiefly found, and it was on land of this description that the experiment described by Sir W. Wedderburn was very properly to be first tried. The resolution, quoted in the paper, of the Government of Bombay in 1860, recognised the great value, in those parts of the country, of wells. He believed that if each cultivator had the power of applying water to one-third of his cultivated land the country would be secure against famine and drought. Wherever water could be found within 30 feet of the surface there could be no more sure and profitable investment for borrowed capital than in sinking wells. It was in this direction that future safety for the rapidly increasing population of India might chiefly be expected. Great hopes had been excited of a vast extension of the export of wheat, but he did not think India could in ordinary circumstances compete successfully with America in this. The greater cost of carriage from the place of growth to England was the chief obstacle. And the surplus of wheat for export in America was immensely greater than that in India. But for the more valuable crops, indigo, cotton, tobacco, rice, tea, coffee, jute, for all of which the climate and soil were admirably adapted, India could compete favourably with any country, and in the manipulation of these crops, and their preparation for market, no labour was so cheap, so delicate, or effective as that of India. The danger of failure in such an experiment as that proposed was the risk of such an enhancement of rent by the Government, or the zemindar, as would swallow up the growing profit of the cultivator. But that might be provided against, though he felt that he must not widen the field of discussion by entering upon that part of the subject then. In his last Budget speech Major Baring pointed to the development of the export trade as one means of securing a sound basis for Indian finance. It would at the same time promote that diversity of occupation which would conduce so much to the prosperity of her people, when freed from extortionate rates of interest. And in naming Major Baring he must deplore the withdrawal, by the Government, of that distinguished man, while engaged in carrying out in India, with remarkable success, the task of lightening the burdens, and elevating the condition of her vast population.

Remarks were also made by General Cavenagh, Mr. H. C. Keene, Mr. S. Keay, Mr. Bhow Nuggree, Mr. R. H. Elliot, Lord Stanley of Alderley, and Mr. Martin Wood, the speakers generally confirming the statements that had been made as to the rates of interest paid for money lent, the condition of the ryots, and their determination to repay advances made to them. At the close of the discussion,—

Mr. *Bright* said, I hope the effect of the meeting will be to bring the subject clearly before the public; that we shall find before long that Sir W. Wedderburn and the gentlemen with whom he is associated may have considerable support from capitalists in this country; and that, joined with what may be done by capitalists in India, the experiment will soon be tried. I can only express a wish that it may be successful, and that its good results may be widely extended to other parts of India. Mr. Baxter, the Member for Montrose burghs, who was not long ago in India, and who travelled many thousands of miles there, has sent a letter in which he says he regrets very much that a family bereavement prevents him attending this meeting. He bears his testimony to the value of Sir W. Wedderburn's plan, and says that from what he saw or

heard, he doubts whether any remedy for poverty and distress would prove so immediately efficacious as that advocated in the paper.

In acknowledging a vote of thanks,—

Mr. *Bright* said,—I am very much gratified if anything I have done has given satisfaction to the meeting, still more if it be of any service to the cause which has brought us together. Five-and-twenty years ago, or more, I took the deepest interest in the Indian question, but latterly other things have drawn me aside, and sometimes a sense of the hopelessness of being able to do anything with so great a question. Still the question is before us, and it cannot be shirked; the duty is upon us, and, if it be possible to do anything, let us all try and do it.

EDITORIAL from "The Times" of 5th July 1883.

The agrarian question is, before all others, a question of prime importance for India. So much may be conceded without giving rise to serious controversy. In a country whose staple industry is agricultural, whose agricultural population is industrious, penurious, and needy, whose cultivators cannot exist without the aid of borrowed capital, and whose money-lenders habitually receive 12 per cent. for their loans from solvent creditors, 24 per cent. from creditors of less repute, and as much as 36 per cent. from the poorest of those who borrow, it must be evident that agrarian difficulties of great urgency will constantly arise, and will call for the utmost patience and sagacity in their treatment. A meeting, over which Mr. Bright presided, was held yesterday at Exeter Hall, under the auspices of the East India Association, for the purpose of considering and discussing this important question. Mr. Bright introduced the subject in a speech instinct with the generous sympathy for the native populations of India which he has constantly exhibited throughout his political career; Sir William Wedderburn contributed an able and interesting paper on the efforts now being made to bring English capital to the aid of the struggling ryot; and Sir James Caird, whose authority on questions of agriculture, whether Indian or English, is indisputable, offered some very suggestive remarks on the economical and industrial aspects of Indian agriculture. The whole question, as we have said, is one of the deepest moment. It affords an illustration of the political difficulties which inevitably arise out of agrarian pressure and discontent, and though it is easier to see the difficulty than to devise a practical remedy, it may fairly be admitted that the suggestions of Sir William Wedderburn are fully entitled to attentive consideration.

It is not easy to lay down general propositions with regard to a population so vast and so various as that of India. But we may start without much hesitation from the statement advanced by Mr. Bright, that something like 80 out of every 100 persons living in India are engaged more or less directly in agriculture. Of these cultivators about one-half habitually carry on their operations with the aid of capital borrowed on terms not destructive of their solvency; the loans they contract are duly repaid at the current rate of interest, and there remains a surplus sufficient to maintain them at the standard of comfort to which they are accustomed. Of the other half, about 20 per cent. do not need to borrow, while the remaining 30 per cent. are, as Mr. Bright said, "so hopelessly poor that it would seem to be out of the question that they should borrow or ever be able to repay." Their condition is almost beyond a remedy; but even the condition of that half of the population who are, according to the Indian standards, comparatively well-to-do, is far from satisfactory. They are absolutely dependent on the village "sowkar," or money-lender, as absolutely, in fact, to use the forcible language quoted by Sir William Wedderburn, as they are on the rainfall or the sunshine. The sowkar supplies the capital which maintains the cultivator and his family while the crops are maturing, and he furnishes the means to meet exceptional emergencies, such as a loss of stock or the celebration of a marriage. He charges 1, 2, or 3 per cent. per month, according to the credit of the borrower, the average rate of interest being not much less than 24 per cent. per annum. If the season is favourable, and if the cultivator is thrifty, all goes well, though we may well agree with Sir James Caird that agriculture can hardly prosper in any country where 24 to 36 per cent. is the rate charged to the cultivator for the use of capital. But in untoward seasons, or with an unthrifty borrower, the repayment of the loan soon falls into arrear, compound interest is charged, and the ryot's industry becomes hopelessly mortgaged to the sowkar. Hence arise disturbances such as have frequently occurred in the Deccan, and the Government is forced to interfere by endeavouring to amend and adjust the relations of ryot and sowkar. The last attempt of this kind was made in 1879, by what is known as "Mr. Hope's Act," the object of which was to disarm the creditor by taking from him the power of recovering the debt by imprisoning the debtor, and selling his land in execution. In many of the native States, according to Sir James Caird, an even more stringent remedy is provided. Not only is the sowkar forbidden to seize the land of his creditor, but the debt is never allowed to rise by accumulation of arrears to more than twice the amount of the capital originally borrowed. The question raised by Sir William Wedderburn is whether private initiative backed by capital cannot be made effective for improving the general relations of sowkar and ryot in those parts of

India

India and in those branches of cultivation where the sowkar's aid in one form or another is indispensable. The sowkars themselves, we are assured, are far from satisfied with the existing system, and would readily lend themselves to an improvement of it. The ryots, on the other hand, are religiously anxious to pay their just debts, and their industry is attested by the fact that it is able to bear such a burden as the payment of 24 per cent. on the capital they borrow. If such is the case under existing conditions, what might it not be under conditions more favourable to industry, thrift, and enterprise? In no other country, said Sir William Wedderburn, does capital employed on land give so rich and so certain a return; and this is corroborated by the statement of Sir James Caird, who, while admitting that India could hardly be expected to compete successfully with America in the supply of wheat to Europe, declared emphatically that for the more valuable crops, indigo, cotton, tobacco, rice, tea, coffee, jute, for all of which climate and soil were admirably adapted, India could compete favourably with any country. Capital, in fact, is wanted, and at present capital can only be obtained from the sowkar by small advances and on exorbitant terms. If capital could be supplied on easier terms and in greater plenty, it seems probable enough that the amazing industry of the ryot and his conscientious promptitude in the discharge of his just debts would secure for it a profitable return.

Such, at any rate, was the conclusion suggested by yesterday's discussion, and Sir William Wedderburn concluded his interesting survey of the operation of land banks in different parts of the world by a forcible plea for the introduction of similar organisations into India. The proposed organisation, as he was careful to explain, is not intended to enter into competition with the sowkar. It is rather designed to supplement his action and to utilise his experience, and that this is not impracticable is shown by the fact that in the experimental organisation already in operation at Poona about one-half of the capital required has been subscribed in the Deccan itself. The principle of the operation is to borrow money at moderate interest from capitalists, whether Indian or European, who are willing to lend, and to lend it to the ryots at a higher rate, but at one considerably lower than that commonly exacted by the sowkar. The security is the ryot's industry and honesty, attested by the fact that he has hitherto been able to live while paying as much as 24 per cent. on his borrowed capital, and has scrupulously paid his debts wherever it was at all possible for him to do so. It is hoped that his energy and enterprise will be stimulated by the power to borrow money on easier terms and by the enormous profits to be realised by the skilful application of capital to Indian agriculture. The experiment, therefore, is one eminently worthy of encouragement, and its results will doubtless be watched with keen interest by the class of persons described by Mr. Bright as experiencing great difficulty in obtaining a fair interest for the capital they have to invest. If capital were once to begin to flow to India in such streams as England can furnish as soon as the security offered is recognised and approved, its beneficial effects could not easily be overestimated. There is, however, one consideration which, as both Sir James Caird and Sir William Wedderburn frankly admitted, materially affects the question. The ryot is not his own master; his rent, to use a familiar English term, is due either to the zemindar or to the Government; and though it does not vary from year to year, it is liable to readjustment at fixed periods according to the value of his holding. Thus the enhancement of the rent may swallow up the margin of profit on which the mortgagee depends. The sowkar, with his local knowledge, can guard himself against such a contingency; but an association of capitalists would be dependent on the Government for its security, and this is as much as to say that capital would not be forthcoming unless it had come to terms with the Government beforehand. The difficulty is not insoluble, perhaps, especially as the Indian Government is represented as being favourable to its solution, but it is one involving broad questions of policy which can hardly be profitably approached except by the Government itself.

Enclosure 3, in No. 2.

GOVERNMENT CONCESSIONS TO AGRICULTURAL BANKS IN INDIA.

PAPER by Sir *William Wedderburn*, Bart., to be read at a Meeting of the Manchester Chamber of Commerce on Friday, 19th October 1883.

Mr. Chairman, Ladies, and Gentlemen,—

THE Directors of the Manchester Chamber of Commerce have been so good as to give me to-day an opportunity of laying before you, on behalf of the promoters in Bombay and Poona, a proposal for extending to India the system of agricultural banks or loan societies which have proved so successful in other countries. And I do so with much pleasure, because it is my belief that when I have set forth the facts of the case, and explained the valuable nature of the concessions now offered by the Government of India, you will be

satisfied that the undertaking rests on a good commercial basis, and that it is likely to be very profitable to the shareholders. Moreover, speaking in this centre of manufacturing industry, I would appeal to you, in your own interest, to further this scheme, and thus help in arresting the downward progress of the Indian cultivator. In their present impoverished and indebted condition the 200 millions of Indian raiyats cannot be large purchasers of English manufactured goods. But it will be very different if they are made prosperous. And the first step towards this is to free them from their bondage to their creditors, and to give them a chance of enjoying some of the fruits of their own industry. This may be done by letting them have capital on reasonable terms, say at 9 per cent., instead of at the present rate of 24 per cent., and even more, a rate which may be said to drain their very life blood. The other day Mr. John Bright pointed out that the trade with India, though apparently large in the aggregate, is in reality very small when we consider what it ought to be, and might be. But even such trade as exists is now threatened by the increasing poverty of the agricultural class. On the other hand, so vast is the Indian population that even a small increase in their prosperity would make a very important difference to English manufacturers: thus, a friend has told me that if each cultivator could afford to treat himself to one new waistcloth the order would give work for a year to all the mills in a large district of Lancashire. In India we have a fine clime, a rich soil, and abundance of agricultural labour, both cheap and skilful. All the conditions would be favourable if the cultivator were not starved for want of capital. On the other hand, here in Europe accumulated capital is anxiously seeking channels for investment. And there is no reason why we should refuse to lend a portion of it to the Indian raiyat, for of all debtors in the world he is the most frugal, the most industrious, and the most religiously desirous of paying all that he owes. It is as though on the one hand we had rich but thirsty soil; on the other hand vast stores of fertilising water. What we now wish to provide is a channel of communication, in order that all parties may be benefited. The problem is a simple one. All that is wanted is a little enterprise and a little organisation, in order to make the raiyat not only prosperous himself, but a cause of prosperity in others.

As you are aware, popular land banks have long been in sucessful operation throughout Europe. They were first founded in Prussia by Frederick the Great, under the name of Mortgage Debenture Associations, and they have obtained special development in the Rhine provinces and in Italy, where they have done much to maintain the peasant proprietors in a position of independence, enabling them to improve their land and adopt superior methods of cultivation. Throughout the German Empire there are nearly 2,000 of these people's banks now at work, and the returns furnished by 902 of them show an aggregate of loans exceeding 74 millions sterling. Success appears to have everywhere attended these institutions. And even in Turkey the system seems to have worked well in spite of the ruined condition of the peasantry. Mr. Consul Blunt, speaking of a land bank in the vilaet of Adrianople, reports that "the agricultural interests of the country derive great advantage from this institution; the custom, so prevalent among the small farmers, of borrowing money at exhorbitant rates of interest in anticipation of their crops, which ultimately placed them at the mercy of a host of relentless usurers, is fast giving way before the facilities offered by this institution, which enables the peasant proprietor to borrow advances at 12 per cent. per annum on very moderate security. The trustees of these 'National Borrowing Funds' propose lowering the rate of interest to 8 per cent. next year. It is an undisputed fact that these funds have very much contributed to place the peasant farmers in some districts on a solvent footing. Many of them have not only paid off their old debts, but have also improved their properties." These are the results which we should gladly see produced in India by a similar system. Indeed, we must take shame to ourselves that even the pashas should have been beforehand with us in organising institutions of this kind. Again, in Egypt, where the position of the cultivator resembles that of the Indian raiyat, two loan companies have been established, one English and one French. These have been working with considerable success; and in his consular report Mr. Cookson states that they have done much to redeem the peasantry "from a state of almost hopeless misery." He further mentions that there had been an increase of 80 per cent. in the imports into Egypt of machinery, chiefly from Great Britain, and he ascribes this entirely to purchases of agricultural machines by the fellaheen through the "Crédit Foncier Egyptien." That these companies are really doing useful work seems also to be shown by Lord Dufferin's recent report, in which, among other measures for the relief of the distressed peasantry, he proposes that "agencies under the Crédit Foncier should be established in every village to advance money at reasonable rates to pay off the usurers." Some of the best-managed of these land credit companies are those which have been established with the last few years in Australia and New Zealand. Their success has been very striking, the shareholders receiving dividends of from 15 to 24 per cent., while large reserve funds have been accumulated; and I do not see any reason why this rate of profit should not be equalled in India. Of course, all these companies work chiefly with borrowed money; and the secret of their financial success consists in this, that they keep down the amount of the shareholders' paid-up capital upon which a dividend has to be earned, while making their loans to landholders out of capital borrowed from the general public at low rates of interest. In pursuance of this policy, they borrow in England where capital is abundant, and lend in the colonies where capital is more scarce and the current rate of interest higher. Thus,

I see

I see that colonial companies of good standing are able to raise large sums in England on mortgage debentures at about 4 per cent.; and the money so borrowed they lend to the local landholders at a higher rate, say 6 or 7 per cent. The company thus occupies the position of a credit institution between the landholder, who wishes to improve his estate, and the general public, who wish a safe investment without the trouble of inquiring into titles. And the profit for these good offices consists in the difference of the rates of interest. In this way if a company has a paid-up capital of 100,000 *l.* it borrows, perhaps, a million at 4 per cent., and lends this amount at 6 or 7 per cent., thus realising a gross profit of 20 or 30 per cent. upon the shareholders' capital. Now this is a system peculiarly applicable to India, where capital is scarce, and the current rates of interest much higher than those ruling in the Australasian colonies. Among Indian landholders 9 per cent. is regarded as a very moderate charge, so that a well-organised credit institution which could borrow in England at 4 per cent. would have a working margin of 5 per cent. upon all its operations. Thus, if we suppose such a company to have a paid-up capital of 100,000 *l.*, and to pass one million through its hands, the result would be a gross income of 50,000 *l.* a year, an amount sufficient to yield a large profit to shareholders after providing for all expenses and unfavourable contingencies. It is easy to see how welcome such a system would be in India, where it would greatly benefit all parties. For at present the native money lender makes his advances out of his own store of capital, so that the rate is 24 per cent. for both lender and borrower. Under the credit system above described the raiyat would have to pay only 9 per cent., while the money lender as a shareholder of the company would realise a gross profit of 50 instead of 24 per cent. upon his capital.

Now, although land banks have thus prospered in other countries, and though their method is one which commends itself to reason, we recognise the fact that the system is a novelty as regards India. We have felt, therefore, that the safest mode of proceeding is to commence in a small way, and to acquire a certain amount of local and special experience by observing the actual working of such an institution in India. This the promoters in India now propose to do by starting an experimental bank at Poona, under good local management, upon a limited scale and within a limited area. When trustworthy facts and figures have thus been collected we shall know what rocks and shoals are most to be avoided, and we shall be in a position to decide in what direction, if any, a business of this kind can be safely and profitably extended. This is the course approved by the Government of India. They have resolved that this experiment is to have a fair trial in every way; and they are willing to grant very valuable privileges to those who will act as pioneers in this undertaking, and are the first to organise a really sound system of agricultural advances. Government are fully alive to the need of such advances. They know very well how crushed and crippled the raiyat is under his present load of debt; they know he cannot shake off this load as long as the interest he pays consumes all the fruits of his industry; and they know that no land improvements are possible unless he can get advances at a reasonable rate. They have therefore tried to supply him with capital by means of State machinery. But State machinery is too rigid and too centralised for such delicate financial operations, and they have come to the conclusion that it is to private enterprise that we must look for any real solution of the problem. Accordingly, when a certain number of competent and enterprising native capitalists formed themselves into a committee at Bombay and Poona, their proposals were met in a very friendly spirit; and after some negotiation important concessions were arranged, such as are best calculated to meet the preliminary difficulties suggested by the promoters, who are themselves practical men of business and thoroughly acquainted with the existing state of affairs in the rural districts. I will now explain what these concessions are; but, before doing so, I would point out that if this experiment works well, as the promoters expect it will, and if all the help now offered by Government does not, in practice, prove indispensable for its financial success, Government do not at all bind themselves to grant similar privileges to other companies which may follow in the same track when the way has been explored and made clear. What Government offer is, in fact, a premium to the first explorers. And the association which undertakes the present experiment will be entitled to claim a preference in any extensions that may be granted either as to area or terms.

You will find the concessions now offered by the Government of India set forth in detail in their Despatch, No. 658, of the 5th of December last, addressed to the Government of Bombay. A reprint of this Despatch is now before you, and, with your permission, I will read the opening paragraphs, which show, generally, the circumstances under which these terms have been obtained: "The Government of India has, for some time, had under consideration the question of agricultural banks, and the importance of the subject has been emphasised by the marked failure which has everywhere attended the offers made by Government to assist agriculturists with loans for land improvement. * * * The Government of India is informed that several of the leading bankers in the Deccan are willing, on certain conditions, to form an association or company which shall have for its object the provision of capital to the agricultural classes on reasonable terms. As above remarked, the attempts that have been made in every part of India to assist those classes by advances from the Government Treasury, through the agency of the district officials, have undoubtedly failed. Although something may be done to make the system more popular by simplifying the procedure, it is certain that the necessity of restricting

Government loans to a special purpose will always prevent the cultivators, who require loans for many other purposes than can properly be brought within the scope of Government agency, from largely availing themselves of the assistance thus offered. In this, as in other matters, it is to private enterprise that we must look for any real progress. It is, then, with much satisfaction, that the Government of India learns that private individuals of experience and capacity, and with substantial means, are willing to start an enterprise of this nature in Bombay, and as there is, perhaps, no part of India where the experiment can be tried under more favourable auspices, the Government of India is prepared, with the concurrence and approval of the Bombay Government, to give whatever assistance it reasonably can to the promoters of the scheme." The Despatch then goes on to describe the very liberal assistance which the Government of India are willing to give. They will appoint and pay a commission in order to ascertain and compromise the old debts of the cultivators within the selected area; they will, in the first instance, advance the capital found necessary to effect a settlement of existing claims; they will remit a portion of the Government stamps and fees claimable on the operations of the bank; and (most important of all) they will concede to the bank the privilege of recovering its debts from the land through the revenue officers as arrears of land revenue.

Now in order to understand the special object of each of these concessions, and to appreciate their practical value, it is essential that we should understand the position of the native capitalists by whom they were negotiated. And for this purpose it is necessary to go a little back into the history of the money-lending business in the Dekkhan, and see how the old machinery has been disorganised by ill-judged interference with the custom of the country. We shall see that under the old system there existed a sort of Métayer partnership between the peasant proprietor and the village money-lender, the money-lender taking his dues from year to year as a share of the crop. But this friendly relationship was broken up by our civil courts, whose decrees armed the creditor with complete power over his debtor. Exorbitant claims for interest accumulated; the raiyat's land was sold up, and ultimately a sort of financial deadlock has resulted very disastrous to both borrower and lender. The object of the present scheme is to put an end to this deadlock, and to reorganise the machinery in a way approved by the people and suited to their special circumstances. Taking these points in their order, we have first to glance at the old-fashioned business carried on between the raiyat and the village money-lender or saukar. In the Dekkhan the natural state of things is the following: The raiyat owns the land and the cattle, and supplies the labour by himself and his family. On the other hand, the saukar maintains the whole party until the harvest becomes available, and provides cash to pay the Government assessment and for incidental expenses, as when a plough bullock dies or when a marriage has to be celebrated. He also generally supplies the seed corn. The crop thus obtained is shared between them at harvest-time; and this arrangement is fair and equitable, one share of the crop going to the raiyat as the reward of his labour, and one share to the saukar as the interest on his capital. There exists thus a sort of Métayer partnership between them, neither being able to get on without the other. As Sir John Strachey has put it, "Money-lenders are obviously as necessary to the Indian agriculturist as the seed which he sows, or as the rain which falls from Heaven to water his fields." A partition of the annual crop formed thus originally the basis of the whole arrangement. In a bumper year the saukar got a large contribution; if the crop was only middling he got less; while if the rain held off and the crop withered the raiyat asked for time: "Have patience with me and I will pay thee all." As in the parable, the creditor was then expected to show forbearance, and as a fact he rarely failed to do so. In this way the money-lender got a full share in the end without crippling the cultivator, who is always anxious to pay, but has not always the means to pay at once. Moreover, the sentiment of the people has always been against any extreme rigour which would strip the raiyat of his means of livelihood. Thus in the old times the creditor did not think of seizing his debtor's plough and cattle; far less did he expect to sell up the raiyat's ancestral holding. And this natural leniency, arising from the friendly relations of the parties, was increased by the fact that under native Governments and in the earlier days of British rule the creditor had but little legal power to enforce his demands. He had to trust chiefly to persuasion and moral pressure, supported by an appeal to the religious feelings of his debtor. But this easy-going arrangement, this friendly partnership between the raiyat and the saukar, was put an end to when, in accordance with European models, we established our civil courts in the rural districts, and thus placed a new and very sharp weapon in the hands of the creditor. The power and activity of these courts were gradually increased, and by the Civil Procedure Code of 1859 everything the raiyat possessed was made liable to seizure and sale in execution, his house and his land, his plough and oxen, his bedding and his cooking utensils. Even his clothing and that of his family was not exempted, and he was further liable to be arrested in default of payment and imprisoned in the debtors' jail. It is easy to understand how completely this change reversed the old order of things. Holding in his hand a decree against the raiyat's ancestral land, and attended by the bailiffs of the court, the creditor did as he liked. From being a partner the saukar became the master. For the raiyat will submit to anything rather than lose his paternal acres, so that the process of the court became a sort of legalised torture by means of which all that the raiyat had was squeezed out of him, and he became the mere bond-slave of his creditor. But a Nemesis awaited

awaited the oppression which necessarily resulted from this unnatural state of things. In 1875 serious agrarian disturbances broke out, the cultivators in several of the Dekkhan districts rising against the moneylenders, destroying their bonds, decrees, and account books, and driving them out of the villages. This outbreak forced the whole subject upon public attention. A commission was appointed to inquire into the causes of the riots; and the report of the Commissioners led, in 1879, to certain legislation intended for the protection of the raiyat. This legislation, generally known as Mr. Hope's Relief Act, was directed against the civil courts, and took away from the creditor the power of recovering debt by imprisoning his debtor and selling his land in execution. But this partial reversal of policy has not been sufficient to restore the money-lending business to its old groove. By putting an end to the severities of the creditor the Relief Act has paralysed the new and artificial system of money-lending which depends on the action of the courts, but it has done nothing to liquidate the old debts or to revive and re-organise the ancient and customary business under which all parties did so well. The result is that both the old and the new machinery for supplying capital to the land lie equally out of gear, producing a financial deadlock, under which the cultivator is no longer able to borrow and the money-lender is no longer able to recover.

Now the privileges conceded by Government are specially designed to remove this deadlock, and to allow the bank to take up a business freed from risk and obstruction. At present the difficulties in the money-lending business arise mainly from two causes: (1) the excessive indebtedness of the raiyat; and (2) the expense, delay, and uncertainty of recovering advances through the civil court. It is evident (1) that the bank cannot safely deal with a man oppressed by an incubus of paper debt, even the amount of which is not known, and against whom creditors hold bonds and unexecuted decrees. To make fresh advances under such circumstances would be to put materials into a quicksand. And a settlement of the old debts is absolutely necessary before we can have a firm foundation upon which a solid business can be built up. Accordingly, Government have agreed to appoint a commission and to carry out a voluntary liquidation of old debts within the area which has been chosen for the present experiment. They have also agreed to advance the cash necessary to compromise the claims, the amount to be collected from the raiyats in moderate instalments over a term of 10 years. This concession will involve an advance from the Treasury of some five or six lakhs of rupees, and you will agree that Government show themselves in earnest when giving the scheme such substantial pecuniary support. Again (2) as regards the collection of the bank's advances. It is the interest of all parties that the process of recovering agricultural advances should be effective, cheap, and expeditious. At present in case of default they are collected through the civil courts. But experience shows that this method involves the maximum of expense and friction with the minimum of result. Thus, as regards expense it may be noted that to bring a suit for 100 rupees the court fees alone amount to 25 rupees. And I may mention that in 20 or 30 cases taken at random and examined by me I found that the actual collections made in execution amounted on an average to only 10 per cent. of the sums decreed. Accordingly upon the case being represented to Government they have agreed that the bank's advances should be treated as advances made from the Treasury under the Land Improvements Act; and that, in case of default, they should be recovered from year to year from the crop through the revenue officers of the district and village, instead of by the machinery of the courts and bailiffs. It is quite impossible to over-estimate the value of this concession, which makes the advances of the bank a first charge upon the land after payment of the Government assessment, thus giving the bank a preference over all other creditors, and investing its business with all the security that the law can offer. The risk and expense of collection, before so great, will thus be minimised. But the indirect benefits will be hardly less important; for by this arrangement we at once get rid of the alien machinery of decrees and bailiffs, and evictions. Ordinarily the collections will be made by the bank's agents. But in case of default, when any coercion is necessary, it will be exercised through the village officers, the patell, and the village watchman, who will merely enforce the old custom, making the debtor contribute that share of the annual crop which the popular sentiment of the village requires from him. By restoring the old friendly relations between cultivator and money-lender we shall thus be working with, instead of against, the local custom, which in India is the strongest of all forces. Indeed the restored arrangement will be more advantageous and popular than the original one. For in old times the saukar had no certain means of enforcing his claim against a refractory raiyat, so that he had to demand a high rate of interest to secure himself from possible loss. A monthly charge of 1, 2, and 3 per cent., according to the credit of the borrower, was considered reasonable; and in this paper I have assumed 24 per cent. per annum as an average rate. Now, with the facilities granted by Government, we propose to lend at 9 per cent. instead of 24, and this will make all the difference in the world to the raiyat. Instead of the interest eating up the whole profits of his industry, the raiyat will be left with a good substantial margin. And we cannot doubt that he will pay with much greater punctuality and willingness now, when he can do so with ease, than he did when payment could only be made with extreme privation to himself and his family. Indeed we hope that with the moderate interest demanded, and the improved condition of the raiyat, coercive measures will very rarely be required. The power to coerce must be there in the back ground, but the raiyat will realise the great advantage of getting his loans at 9 per cent. instead of 24,

and the fear of having his name removed from the books of the bank will probably be sufficient stimulus in those cases in which he is inclined to be careless or unpunctual.

From this brief review you will I think understand the importance of the Government concessions, and appreciate the solid reasons for which the local capitalists welcome the establishment of a great central loan association, instead of opposing it as antagonistic to their vested interests. At first they were naturally inclined to doubt the effect which a large new money-lending institution would have on their prospects. But they are clear-headed practical men, and soon came to see that it was for their advantage to have a share in a bank which would enjoy such special privileges from Government. I feel sure you will attach great importance to this desire on the part of the native money-lenders to join the bank, as proving the value of the concessions offered by Government. They know best from personal experience where the shoe pinches. And when they gladly accept the arrangement proposed by Government we may be satisfied that the privileges conceded are of real value. From a practical point of view also the friendly attitude of the native bankers and money lenders is very important. Indeed when starting an agricultural bank it would be fatal to take up a position of antagonism to this capable and influential class. The actual work of money-lending is now in their hands, and they thoroughly understand the business. In each village they can tell you to a nicety the means and character of the individual raiyats, and they are very shrewd, patient, and economical in their management. Their co-operation is therefore indispensable; both because of the business connection and good-will which they will bring to the bank, and because they will furnish an agency for the distribution and collection of loans, unrivalled both for efficiency and cheapness. Another class upon which the bank may rely for efficient help as regards local management are the Government pensioners, native officials who have retired after a long term of approved service in the revenue, judicial and other departments. These men are in every way fitted to serve on local boards, from their high character, from the leisure at their command, and from their experience and knowledge of business. Among the other promoters of the scheme we count merchants, landowners, and others of independent means directly interested in the prosperity of the agricultural class and the development of trade. So far, therefore, as India is concerned we may say that the parties interested have all done their part and are all equally anxious that the scheme should be a success. What is now wanted is support in England, in order to give the institution that standing and credit in the money market without which the scheme would be incomplete. In order to work the experimental bank it is estimated that about 10 lakhs of rupees, or say 100,000 *l*, will be sufficient, and of this amount about one-half has already been offered from the four Dekkhan districts. No doubt the remaining half would be forthcoming if necessary from Bombay, Hyderabad, and other places where there are many wealthy capitalists; but that would not fulfil one of the main objects of the scheme, which is to increase the aggregate capital available for agriculture in India. We wish not only to organise and distribute better the funds already in the country, but also to draw capital from England, where it is abundant and cheap, to India, where it is scarce and dear. And this cannot properly be done unless we have a strong board of directors in England, who would give the bank a position in the European money market, and enable it to place its debentures and raise the necessary working capital upon reasonable terms. In this project of relief India and England are each required to bear a part. In India we have a steady demand for agricultural capital, with a cheap and efficient organisation to distribute it; from England must come the supply. The thirsty soil stands ready, and the channels of distribution are open; what we want is the key to unlock the reservoir, and let the waters flow.

When the capital once reaches the raiyat he knows well what to do with it. He is a very skilful cultivator; he knows exactly the requirements and capabilities of his ancestral acres; and with the help of water and manure he will at once proceed to raise crops of great value. On this point Sir James Caird, speaking with special knowledge, bears witness to the favourable prospect before us. He tells us that India can compete favourably with any country in the world in producing the more valuable crops, indigo, cotton, spices, tobacco, rice, tea, coffee, jute, for all of which the climate and soil are admirably adapted; and as regards the skill of the raiyat he says that "in the manipulation of these crops, and their preparation for market no labour is so cheap, so delicate or effective as that of India." Now this power of the raiyat, when backed by capital, of raising valuable products for the foreign market, is a point of the highest importance as regards the security of the bank's operations. For, as I have already explained, we wish to look mainly to the crops for the recovery of our advances, and this increased value of the raiyat's crop means increased security for the bank's loans, and increasing facility in the recovery. How very large the margin of profit may thus become I can illustrate from my own experience with regard to the land round the city of Poona. Ten years ago this land produced only a poor and uncertain crop of millet worth perhaps 5 rupees or 10 rupees an acre. Now the same land is covered from year to year with a magnificent crop of sugar cane, and when I left Poona the other day it was being sold as it stood on the ground for about 500 rupees an acre. By this transformation the raiyat, from being a wretched starveling, ever on the borders of famine, becomes a substantial yeoman eager for further improvements, and ready to pay for all the accommodation he requires. Yet

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this increase of a hundredfold was simply the result of capital, the landowners in the immediate vicinity of Poona being men of some means who could afford to take water from the Fife Tank and "poudrette" from the municipality. The case no doubt was a specially favourable one, but even under ordinary circumstances the profit is very large whenever the raiyat gets fair play and has an opportunity of showing his skill in the "petite culture." Indeed we may safely say that in no other country does capital employed upon land give so rich and so certain a return. The "treasure hid in a field" is in India the wealth that water brings. And when we can change the land from "dry crop" to "garden" we provide a fund which gives prosperity to the raiyat while securing an ample margin upon which the capitalist can rely for the safety of his advances.

Having thus briefly laid before you the principal points in the scheme for establishing Agricultural Banks in India, I may, perhaps, be permitted to say a few words in answer to a question which was put to me by our respected Chairman on a former occasion. He asked me what were the practical steps which I proposed should now be taken in furtherance of the scheme. In answer to this question, I would suggest that a Provisional Committee might be appointed to make such inquiries as they may deem necessary, and, upon being satisfied regarding the soundness of the scheme, to bring their views before the Secretary of State for India. At the same time steps might be taken for the formation of a Company in case the result of the inquiries should prove satisfactory. And I would urge the advisability of this action being taken with the least possible delay, because at present all the conditions are favourable. It is a good old saying that we should always strike when the iron is hot, and the present case seems to be one in point. At this moment the parties interested, the Government, the money-lenders, and the cultivators, are all willing to co-operate in a friendly way; and it would be a grievous pity if such an opportunity were to be lost. For we must remember how great and multifarious are the matters with which the Government of India has to deal, and how easily a question may be pushed away out of the front rank if not taken up and dealt with when its turn comes. Also important changes may occur in the personnel of the higher officials. For example, India is even now lamenting the loss of her late distinguished Finance Minister. From his experience in Egypt, and his thorough knowledge of the requirements of India, Sir Evelyn Baring was a tower of strength for this scheme, to which he had given much personal attention. Fortunately his successor, Sir Auckland Colvin, holds similar views on this important subject. But we cannot always tell what may be the effect of such official changes; so no time should be lost, whether in closing with the favourable terms now available, or in negotiating with regard to any matters which have not yet been dealt with. With regard to this latter point, I would suggest that the Provisional Committee should correspond with the promoters in India; and I should myself feel inclined to follow the lead of the Poona Committee who are personally well acquainted with the Dekkhan Districts, and who have given very careful attention to all the practical details of the undertaking. The chief difficulty they experience has reference to the Bombay revenue system, under which the Government assessment is liable to enhancement after every 30 years. The theory is that the enhancement will only be made on general grounds, such as a rise of prices affecting the whole district, and that it will not touch improvements made by the individual holder. But much is left to the discretion of the Revenue Department, and the banker must look with distrust on a security the solidity of which depends upon the discretion of the fiscal authorities. Throughout the Dekkhan the original 30 years' leases have within the last few years been falling in according to the order in which the groups of villages were first settled. Thus in the Purandar division, where our experiment is to be made, some villages have been resettled, others are due for revision, while others again will become due within the next few years. This prospect naturally brings uncertainty into any calculations regarding the value of the holder's interest. The Poona Committee have therefore asked that in the area of experiment the existing rates should not be disturbed for a period of 20 years from the present date. And it is hoped that the Government will not object to make this moderate concession, which those on the spot consider essential in order that the experiment may have a fair trial.

In conclusion, I would only add that in my present statement I have purposely kept to the purely business aspect of the case, addressing myself solely to motives of self-interest. This may seem a cold and heartless way of dealing with a question affecting the happiness and even the existence of so many millions. But I believe that this is the best and safest course in reality for the success of the scheme can only be secured if it is based on a sound commercial foundation, all sentiments of charity or even benevolence being rigidly excluded from the calculation. At the same time when asking your earnest attention to this momentous question, I shall not be wrong in reminding you how the lives and fortunes of these dumb millions are at the mercy of England, their fate lying as it were in the hollow of the hand. Also I am not unmindful of what the Manchester school of public men has done in times past towards redeeming our rule in the East from the charge of mere selfishness; and it is to the leaders of that school that India has looked, and must still look, to affirm the broad principles of righteousness, and to enforce the due performance of this great trust. The present scheme is not a showy one, and must deal much with dry business detail. But none the less is it one of the most vital importance. For when we consider how much is done in other countries to support the

credit of the peasant cultivator, and when we see that nothing whatever is done in India, the wonder is that the raiyat continues at all to maintain his position. Atlas-like he bears on his shoulders the whole great framework of the Empire. But he is faint and totters under the burden. I beseech you not to withhold from him that cup of refreshing water which you hold in your hands.

— No. 3. —

From the Secretary of State for India to the Governor in Council, Bombay.—No. 5 (Revenue), dated 7th February 1884.

Para. 1. I FORWARD herewith, for the information and consideration of your Excellency's Government, a copy of a letter from Sir W. Wedderburn, Bart., of the Bombay Civil Service, describing the steps which he has taken, while in this country on furlough, to make known to the English public the scheme for the establishment of an agricultural bank in the Deccan, in which he takes much interest.

2. I shall be glad to learn, as soon as your Excellency may be in a position to give me any definite information, what progress the scheme referred to by Sir W. Wedderburn is making, and what steps you would propose to adopt, especially with reference to the very difficult question of the relations of Government to agricultural banks, upon which I desire to learn your views before any action is taken.

I have, &c.
(signed) *Kimberley.*

— No 4. —

From the Governor General of India in Council to the Secretary of State for India.—No. 7 (Revenue), dated 31st May 1884.

WITH reference to your Lordship's Despatches noted on the margin, we have the honour to submit, for your Lordship's consideration, a copy of correspondence which has passed between us and the Government of Bombay on the subject of establishing an agricultural bank in the Dekkhan.

No. 8 (Legislative) of 15th February 1883.
No. 10 (Revenue) of 7th February 1884.
No. 5 (Revenue) of 7th February 1884 to the Government of Bombay.

2. The utility of similar institutions in Europe, America, and Australia is well known to your Lordship, and we understand that in the British Colonies especially the progress of agriculture and the various enterprises connected therewith have been much advanced by the monetary assistance thus afforded to the cultivating and land-owning classes. There are indications that India, no less than the countries to which we have referred, suffers from want of loanable capital. The rate of interest is extremely high even where the security is of the best description, and the agriculturist, when in need of money for the most prudent purposes, has to pay so dearly for a loan that it absorbs the profits of his business. The Dekkhan Ryots Relief Act, the Jhansi Encumbered Estates Act, and other similar measures of an exceptional character have tended to relieve the peasantry in some localities of a hopeless load of debt; but they have not enabled the thrifty and industrious cultivator to obtain money for agricultural purposes on easier terms or more equitable conditions. We have endeavoured to meet this need in respect of loans for land improvement by advances of public money under the Land Improvement Act; but this is not sufficient. The cultivator requires money from time to time for other purposes, and it has been found that if he can only borrow for one particular object from the Government, he prefers to deal entirely with the money-lender who will lend

lend for all purposes. What is wanted, therefore, is a private bank which will in a measure take the place of the village usurer, but which will at the same time be bound by the articles of its constitution to restrict its dealings to the more solvent cultivators and to supply capital at comparatively easy rates and on equitable conditions.

3. We consider that banks of this kind, if they could be successfully started, might be of considerable benefit to the country. There are, however, special difficulties to be encountered in India which are not met with elsewhere in the way of their establishment. Improvidence of cultivators and uncertainty of seasons are elements which are liable to interfere with a bank's success; and though these difficulties might be met by prudent management, yet the bank could not hope to succeed unless it could start in a field where the agricultural classes were unencumbered with debt, or were enabled to liquidate their existing debts on reasonable terms.

4. When, therefore, we considered the subject in 1882 in connection with the Land Improvement Bill, we came to the conclusion that more assistance must be given by the State to an agricultural bank in India on its inception than is necessary in other countries. More especially is this the case in a part of the country like the Dekkhan, where the need for such a bank on the one hand is greatest, and the difficulties arising from the indebtedness of the population and from the precariousness of the seasons are, on the other hand, most serious. If the experiment succeeded, similar banks might probably be started with less aid or without any aid from the State, and the benefits likely to arise from such institutions seemed to us so great that we were prepared to give cordial support to a pioneer bank. We saw that it would be necessary to clear the way for the bank by liquidating the debts of the agriculturists within the selected area, on the understanding that our advances would be taken over by the bank when it started business. We also saw that confidence must be given to the promoters of the bank by allowing it, for a time at least, to recover its loans through the revenue courts, by assigning in some cases priority to its loans, and by remitting stamp duty and other dues for a certain period in its favour. In return for this assistance, we considered that the bank should limit its rate of interest to 12 per cent., and that its management should conform to regulations framed by us somewhat on the model * of those prescribed for the Credit Foncier in Egypt, with which our colleague, Major (now Sir E.) Baring, was well acquainted. On these lines we sketched out a scheme which we thought well worthy of an experimental trial, although we were not prepared to go beyond a limited experiment which might enable us to determine by the trial of practical experience the conditions under which banks of this kind are likely to be successful, the real value of the objections which are sometimes urged against them, and the best mode of meeting any difficulties to which their working may be exposed in India.

5. Hearing from Bombay that a number of native bankers in Poona and Bombay were willing to give the scheme a favourable reception, we communicated our proposals to the Government of Bombay for consideration and opinion. That Government stated in reply that the scheme was not impracticable, and that it was willing to try it on a small scale, if the details could be successfully arranged. Two syndicates of bankers had been formed, one in Bombay and the other at Poona, which were each prepared to try the experiment if the Government would accede to their conditions. The Government of Bombay recommended us to accept the offer of the Poona Committee, as their demands were more in accord with our original proposals than those of the Bombay Committee. The Bombay Committee, among other things, asked for a monopoly of the agricultural banking business throughout the Presidency, and for a Government guarantee to its debentures. A further proposal has been made by Mr. Javeri Lal Yajnik to start a similar bank in Guzerat; but his scheme has not yet been considered by the Bombay Government, and we only mention it here in order to show that the experiment has excited considerable interest.

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* We understand that there is one important difference, however. The *Crédit Foncier*, we are informed, is not at liberty to purchase and hold the land on the security of which it lends. We have proposed no such restriction on the experimental bank. Experience will show if such a restriction is necessary, but we think it necessary to call your Lordship's attention to the point.

6. The Government of Bombay suggested that the experiment might be confined to the Purandhar taluqa in the Poona district, and reported that a sum of 6½ lakhs would probably be required for the preliminary liquidation of the debts of the cultivators. Voluntary liquidation of the nature suggested by us was considered essential to the scheme, and the Bombay Government agreed with us that legal provision would be requisite in order to place the Government advances in the position of first charges. At the close of the letter the very important question was raised whether the whole of the bank's dues should be regularly recovered by the revenue courts, or whether resort to this agency should be strictly confined to cases of default. As it was eminently desirable that there should be no misunderstanding on this important point, we explained our views to the Government of Bombay in our letter, No. 572, of 23rd May 1883. We stated that the aid of the revenue court could not be given to the bank except on proof that it had attempted to collect the debt; and that in order to secure due exertion on the part of the bank, it might be desirable to require it to pay fees on all processes issued on its application through the revenue courts. In reply to our letter, the Government of Bombay expressed its entire concurrence with this view, and informed us that the Poona Committee also accepted it, though deprecating any charge on the issue of processes. In regard to this point we may here state that we adhere to our opinion that such fees should be charged.

7. The other questions and demands of the Poona Committee have been carefully considered by us, and, with the consent of the Government of Bombay, we have again consulted Sir William Wedderburn personally, who is acquainted with the views of the Poona Committee, on all the details of the scheme. We propose now, with your Lordship's concurrence, to sanction the experimental establishment of the bank in the Purandhar taluqa, and to find the funds required for the preliminary liquidation. As all that we at present propose is the trial of an experiment, we wish to meet the views of the promoters as far as we can, so that the trial may be as fair as possible. At the same time we keep ourselves free to watch its results, and commit ourselves in no way to future action, either with regard to the bank which it is now proposed to open, or to any other institution of the same kind. We consider that the requisite legislation should be undertaken by the Government of Bombay (though this may require a confirming Act to be passed by the Viceroy's Legislative Council), and we propose to leave the supervision of the bank in the hands of that Government.

8. The most important question with regard to the aid proposed to be given to the bank is undoubtedly the recovery of the bank's debts through the revenue courts. The objection has been raised that it is undesirable in principle to give extraordinary remedies for the recovery of ordinary debts, and that if the aid of the revenue courts were often invoked, they might incur the disfavour which naturally attaches to the office of debt collector. We are not insensible to the force of these objections; indeed, we should consider (as would also the promoters themselves) the whole scheme to be a failure if frequent recourse were to be had to this extraordinary method of procedure; but the promoters of the scheme say they look to the recovery of their instalments regularly as they fall due from the crop, and urge that the existence of this power will give them valuable facilities for so recovering their debts instead of allowing them to accumulate till recovery is only possible by sale of the land itself. The expense and dilatoriness of the Civil Court procedure tend necessarily, they urge, to the latter mode of recovery. As they attach very great importance to this part of the scheme, we think that the concession should be granted in a restricted form. We therefore propose to confine the privilege to the case of debtors whose affairs are liquidated by the Government in co-operation with the bank, and to restrict it to a period not exceeding 10 years. This would apparently be accepted by the promoters of the bank, and it is justified by the consideration that the bank takes the place of Government in regard to the liquidated debts of the ryots. Within this period we would allow the bank to recover through the revenue authorities from the debtor and his successors in interest, not only the original advance, but also subsequent loans made to him for whatever purpose by the bank. We would require the bank to furnish proof that it had attempted to recover the debt through its own agents, and we would prescribe light fees on all processes. We would further suspend the execution of such processes in any season in which the

the Government may have thought it right to suspend the land revenue payable on the debtor's land. In respect of other debtors, whose affairs had not been liquidated, the bank's remedies would be restricted to the ordinary provisions of the Civil Code. We are also willing to exempt the bank from stamp duty on bonds and documents connected with advances to all classes of debtors, and from court fees on the institution of civil suits, for a period not exceeding 10 years, to be fixed by the Government of Bombay. We would also for a similar period exempt the bank from registration fees.

9. As to the priority to be given to the bank in respect of its claims, we originally were of opinion that it would be sufficient if the bank were placed in the position of first mortgagee in respect of the liquidated debts which it took over from Government, and also in respect of any loans which were received for and *bonâ fide* applied to land improvement. The Poona Committee, however, have objected to this limitation, and urge the impossibility of the bank distinguishing in regard to the purposes to which its loans may be applied; and after fully considering the point, we are now prepared to assent to a provision that, where the bank has under the liquidation proceedings acquired the position of first mortgagee, it should be given, in respect of further limited advances made to these clients, the same priority as an ordinary first mortgagee can acquire by stipulation in accordance with Section 79 of the Transfer of Property Act. We transcribe the section on the margin for facility of reference. Provision would also have to be made for limiting the maximum amount of further advances (which we agree with the Poona Committee should in no case exceed 75 per cent. of the security), and for declaring what should constitute notice to subsequent mortgagees.

"If a mortgage made to secure future advances . . . . . expresses the maximum to be secured thereby, a subsequent mortgage of the same property shall, if made with notice of the prior mortgage, be postponed to the prior mortgage in respect of all advances or debits not exceeding the maximum, though made or allowed with notice of the subsequent mortgage."

10. A third concession of some importance asked for by the Poonah Committee is, that the Government shall engage not to revise during the next 30 years the land assessment of such villages of the taluqa as are still under the original settlement. We agree with the Government of Bombay that no promise to this effect can be given, since such revision operations as are now going on must certainly be completed. It has since been suggested that, should the bank consider this absolutely necessary in order to give security to their operations, it might be possible to postpone for a fixed period the collection of such of the revised assessments as have not been actually introduced when the liquidation scheme is complete; but we abstain from expressing an opinion on this suggestion, which has not yet been considered by the Government of Bombay; we apprehend, however, that the recently declared policy of the Government of Bombay, in respect to future revisions of assessment, has now lessened the importance of the question, as it practically gives that security to landed property throughout the Presidency which the Committee have asked for in respect of the area selected for the operations of the bank.

11. We need not trouble your Lordship with the minor details of the scheme, which remain very much as they were stated in our letter of 5th December 1882 *See* p. 24. to the Government of Bombay. The liquidation would be entirely voluntary, and, as suggested by the Poona Committee, might be confined to occupants of land whose assets are at least double the gross amount of the awarded debt. The rate of interest on advances made by the liquidators might be fixed at 9 per cent. with a sinking fund of from 1 to 3 per cent., and it is proposed that the bank should take over the entire amount of the sum advanced by Government on an agreement to repay it within two years, with interest at 4 per cent. The bank would be at liberty to make loans for any purposes, or to any persons having a transferable interest in land within the taluqa, but it would engage to limit the rate of interest on all loans to a maximum of 12 per cent., and to conform, in respect to other matters, to the rules prescribed by the Government.

12. We have directed the Government of Bombay not to take any further action in the matter until we are acquainted with your Lordship's opinion on these proposals. We do not think that any smaller concessions than those

mentioned by us will satisfy the promoters of the bank, and we are anxious to give effect to a scheme which we believe to be advocated on purely disinterested grounds, which can, under the experimental conditions proposed, be carefully watched, and which is likely, if successful, to be productive of much benefit to the country. We view it as an experiment, and we think that, even if the results should not equal the expectations of its advocates, they will at least throw considerable light on the causes and extent of the Dekkhan ryot's indebtedness, and enable us to determine whether his condition is susceptible of improvement by any action which can be taken by the Administration.

We have, &c.

(signed) *Ripon.*
D. M. Stewart.
J. Gibbs.
T. F. Wilson.
C. P. Ilbert.
S. C. Bayley.
T. C. Hope.
A. Colvin.

Enclosure 1, in No. 4.

From *E. C. Buck*, Esq., Secretary to the Government of India to the Secretary to the Government of Bombay, No. 658, R., dated Calcutta, 5th December 1882.

THE Government of India has for some time had under consideration the question of agricultural banks, and the importance of the subject has been emphasised by the marked failure which has everywhere attended the offers made by Government to assist agriculturists with loans for land improvement. The Government has, moreover, had lately the advantage of conferring on the subject with Sir William Wedderburn, who, as his Excellency the Governor is aware, has given especial attention to this matter for some years past.

2. The Government of India is informed that several of the leading bankers in the Deccan are willing, on certain conditions, to form an association or company, which shall have for its object the provision of capital to the agricultural classes on reasonable terms.

3. As above remarked, the attempts which have been made in every part of India to assist these classes, by advances from the Government Treasury, through the agency of the district officials, have undoubtedly failed. Although something may be done to make the system more popular, by simplifying the procedure, it is certain that the necessity of restricting Government loans to a special purpose will always prevent the cultivators, who require loans for many other purposes than can properly be brought within the scope of Government agency, from largely availing themselves of the assistance thus offered. In this, as in other matters, it is to private enterprise that we must look for any real progress.

4. It is, then, with much satisfaction that the Government of India learns that private individuals of experience and capacity, and with substantial means, are willing to start an enterprise of this nature in Bombay ; and as there is, perhaps, no part of India where the experiment can be tried under more favourable auspices, the Government of India is prepared, with the concurrence and approval of the Bombay Government, to give whatever assistance it reasonably can to the promoters of the scheme.

5. The plan which I am to set forth roughly for the consideration of his Excellency the Governor in Council is divisible into two parts : first, a scheme for the ascertainment and liquidation of the present debts of the ryots on some small experimental area to be selected by the Bombay Government ; secondly, a plan for the constitution of an agricultural bank, which, if it conforms to certain conditions prescribed by Government, will in return enjoy certain privileges and receive certain assistance from Government.

6. These two matters are, I am to observe, not essentially connected. It would be quite possible to carry out the liquidation scheme without establishing the bank; and it would be quite possible to establish a bank, and confer on it the privileges referred to, without ascertaining and liquidating the debts of the peasantry.

7. But

7. But the Government of India recognises the difficulty which a bank of the nature contemplated will have in dealing with a population which is known to be in a state of indebtedness. This difficulty, which must hamper its operations in the outset, will probably prove fatal to its success. And, as it is impossible for a private association to deal with this matter without the aid of Government, and it is of very great importance to get the experiment tried, I am to say that, so far as the Government of India is concerned, it is willing that a scheme of liquidation as sketched below should be applied to a limited and selected area in one of the Deccan districts. The Government of India will consent to provide the money in the first instance on terms which will be hereafter stated.

8. The ruling principle of the liquidation scheme advocated by Sir William Wedderburn, and which commends itself to the Government of India, as at present advised, is that the liquidation should be voluntary.

It is not proposed to force the debtor into a declaration of insolvency, or to compel the creditor to accept terms which he dislikes.

9. The scheme of a preliminary liquidation appeared as as essential part of the Honourable Mr. Hope's original draft Bill for the relief of the Deccan agriculturists; and, as observed by Mr. Naylor (*see* extract quoted in paragraph 11 of Sir Richard Temple's Minute of 30th August 1878), "wherever legislative action has been taken for relieving the estates of talukdars and others from encumbrances, the first step thought necessary has always been to provide for the reduction of the claims against them to reasonable amounts." In providing, therefore, for a scheme of voluntary liquidation, we are only reverting to a plan well known to Indian legislation, and at one time held to be an essential portion of the scheme for the relief of the Deccan agriculturists.

10. It is suggested that for the selected area three liquidators should be appointed, one of whom should be a Government official, one a representative of the local sahukars, to be chosen with their approval, and a third a representative of the ryot class, but not necessarily himself a ryot.

11. The procedure suggested is as follows: The selected area would be divided into circles, and the liquidators would proceed circle by circle. The first step would be to call upon all debtors who wished their liabilities to be ascertained, and all creditors who desired their debtors to be dealt with under the scheme, to come forward.

The liquidators would then require the person under liquidation to state his debts, and would issue a notification calling on all persons having claims against him to bring them within one month.

When the period expired they would call the debtor and his creditors before them, and with the aid of local assessors make a rough inquiry into the claims.

They would endeavour, in the first instance, to induce the parties to come to an amicable settlement. Failing that, they would make an award according to their own judgment.

If the parties came to an amicable settlement, or if they all consented to abide by the award, the liquidators would at once pay down the sum awarded or agreed to, subject in both cases to a maximum limit to be fixed with reference to the debtor's means.

If the parties neither came to a settlement nor consented to the award, the case would be struck off, and they would be left to the usual course of law. The proceedings of the liquidators would in this case be entirely without effect. But it is hoped that the offer of a moderate sum down will in very many cases be preferred to the very uncertain prospect of recovering the full claim which the creditor has under the existing law.

It is a matter for the consideration of Government whether it will be necessary to provide by law, *inter alia*, (1) that all pending proceedings should be stayed, and no new proceedings should be taken in any civil court in respect of a debtor whose affairs were under investigation by the liquidators, pending such investigation; (2) that on payment by the liquidators of the sum awarded or agreed to, all previous claims, whether notified or not, should be deemed to have been duly discharged; (3) that in respect of a case struck off by the liquidators for want of consent, the time occupied by the investigation should not be reckoned in calculating the period of limitation in any suit brought on account of any claim which had been under investigation.

12. The next question for consideration is that of the means to be provided for the recovery of the sum advanced to pay the debts.

It is proposed that this sum, with interest at 6¼ per cent., should be distributed into instalments which would be recoverable as arrears of land revenue due on the debtor's land, after the claim of the Government for the land assessment had been satisfied. It has been suggested that until the whole sum was discharged the debtor should not be able to contract fresh liabilities except with the permission of Government, and that such permission should be given only if the dealing was with an agricultural bank; but the Government of India are not convinced of the necessity of any such provision, and would leave it for the consideration of the Government of Bombay.

13. The period over which the payment should be spread, and the maximum limit to be fixed to the amount which the liquidators may advance, are matters which must be left to the decision of the Bombay Government. As the debt must be collected as punc-

tually and as rigorously as the land revenue, it is of the greatest importance that the sum advanced should be restricted to an amount which the ryot will be able to pay without hardship, in addition to the Government demand. If this limit is exceeded the Government will be placed in a very difficult position, and will have no alternative but that of abandoning its claim, or of incurring the odium which the harsh and rigorous exaction of an oppressive demand must involve.

14. With regard to the rate of interest to be charged, I am to say that the Government of India has no wish to make money by the transaction. If it is to incur the whole risk and the loss, which in a number of small transactions is certain to occur from bad debts, the Government of India cannot fix a lower rate of interest than 6½ per cent. If a really substantial association of bankers is formed, who will take the business off the hands of Government and be responsible for the whole sum advanced, and for its repayment within a short time (say a year), then it might be possible to reduce the rate of interest which Government is to receive to 4 per cent. The rate of interest to be charged to the ryot would in that case have to be settled by Government in concert with the bank.

15. The foregoing paragraphs give a rough outline, without any attempt at precision of detail, of the scheme of liquidation which the Government of India would suggest for application as an experiment to a selected area in one of the Deccan districts. But, before dealing with the connected question of agricultural banks, I am to observe that the Government of India, in consenting to provide money for the liquidation of the ryots' debts in a selected area, does so simply with the object of giving a fair start to an interesting experiment, which, if successful, may prove of immense benefit to the country. It recognises very fully the objections on principle to the employment of Government funds for this purpose, and it would, indeed, be obviously impossible to extend such an experiment generally. What it hopes for is that, Government having shown the way, agricultural banks and associations in other parts of India will come forward to undertake similar operations at their own expense, aided by Government only by the grant of such legal and administrative privileges as will hereafter be explained.

16. In regard to the establishment of agricultural banks, the Government of India writes on the supposition, and in the hope, that, if an area is thus cleared for their operations, there are in the Bombay Presidency gentlemen willing to provide the capital for a bank; and I am now to explain the assistance which the Government of India is willing to give, and the conditions on which it will be given to them.

17. It has been proposed, in some of the papers which have been under consideration in relation to this subject, to limit the operations of the bank to loans for certain specified objects, chiefly for the improvement of land. It is felt, however, that, unless the cultivator can look to the agricultural bank for assistance for his personal and domestic needs, as well as for his agricultural operations, he will still be dependent on the sahukar for a large portion of his yearly expenditure; and if left dependent on him for a portion, he will before long necessarily become again dependent on him for the whole. The main object of the Government, however, is to place and keep the ryot in a solvent condition. If, after his debts have been ascertained and liquidated, he is still obliged to borrow for his ordinary needs on usurious terms, very little will have been done by giving him somewhat greater facilities for improving his land. It must be understood, therefore, that the bank contemplated in this letter is a bank which will lend to all persons who have a transferable interest in land, and will not confine its operations to loans for land improvement only. If the advance is applied *bonâ fide* to an improvement of the land, the procedure will be more simple. But the principle on which the bank will be regulated will be that of looking closely to the nature of the security offered, rather than to the purpose for which the loan is taken.

18. The first and most important matter to provide for is that the money shall not be advanced on insufficient security. And to this end two restrictions must be imposed:—

(1). The bank should be allowed to advance only on land, and, generally speaking, only on first mortgages.

(2). It should only be allowed to advance money to the extent of a fixed proportion of the full value of the security.

19. Following the lines on which the well-known Crédit Foncier of France and the Egyptian Crédit Foncier have successfully worked, the following rules are suggested:—

(1). Save in the exceptional case mentioned below (4), money shall only be lent on first mortgages.

(2). Nothing in this rule shall prevent money being lent to pay off existing mortgages, if, upon their being paid in full, the bank is able to acquire the position of a first mortgagee.

(3). In the case mentioned under (2) the bank should not make the advance until its position as first mortgagee is secured.

(4). In

(4). In cases when the prior encumbrances cannot, owing to the terms of the contract, be paid off, the bank may advance money, provided that the money advanced by it, added to the sum of the prior encumbrances, does not exceed the limit laid down in Rule (5).

(5). The money advanced must not exceed a certain proportion of the full value of the land on the security of which it is borrowed.

20. The bank should be further bound (*a*) to submit its articles of association for the approval of Government; (*b*) to keep its books in a prescribed form, and to submit them to inspection and periodical audit; (*c*) to take bonds in a prescribed form; (*d*) to register all loans in such manner as the Government may direct; (*e*) to charge not more than a certain maximum rate of interest; and (*f*) to abide by such other rules as it may be necessary to lay down to ensure the ryot against the neglect or dishonesty of its agents.

21. The rate of interest is a matter which must be decided with reference to local conditions, but, including sinking fund, the maximum rate should perhaps be not more than 12 per cent.

22. The limit to be placed on the sum to be advanced with reference to the value of the security is a matter which also requires local knowledge to determine. As has been said before, with reference to the liquidation scheme, it is all important that the sum advanced should be well within the ryot's means. The object is to provide necessary capital, not to encourage extravagance, and precautions must be taken against the danger of the ryots incurring debts beyond their means, which the Government will be bound to collect.

23. If the bank agrees to these conditions, then the Government of India is prepared to concede to it the following privileges in respect of advances made in accordance with the rules:—

(1). A remission of part of the stamp duty on all bonds and documents connected with those advances.

(2). A remission of part of the initiatory court fees in any suits on applications which it may have to file in the same connection.

(3.) The privilege of recovering its debts from the land through the revenue officers as arrears of land revenue.

24. It must always be understood that the Government will reserve to itself the power of withdrawing these privileges from the bank, if it is found that the rules are not complied with, and that any breach of rules in respect of any one case may lead to the immediate withdrawal of all privileges. In such case the bank will be left to proceed against its debtors in ordinary course of law, but will, of course, be bound by the terms of its contract with them.

25. It remains to notice a very important matter which lies at the root of the whole business. How is it to be assured that the bank really holds the position of first mortgagee?

It is in connection with this question that the liquidation scheme is so important. In dealing with clients who have been through the liquidators' court the bank will have no difficulty. But what is to be done in the case of applicants for loans who have not been under liquidation?

26. Here the question of the purpose for which the loan is taken becomes important.

In the case of a loan taken for, and *bonâ fide* applied to, the improvement of the land, there seems no objection to the principle of making its repayment a first charge on the land improved, subject only to the Government revenue demand, inasmuch as the value of the land which may have been given as the security for any previous loan is *pro tanto* improved, and the previous creditor is in no way injured. The Government of India is prepared to accept this principle, and to place the bank in the position of first mortgagee in respect of this class of loans, on the bank's affording such proof as the Local Government may consider sufficient of the due application of the money.

In the case of a loan of this character the bank would not become entitled to the above special privileges until it had given the requisite proof. On the other hand, it would be at liberty to make such conditions with the borrower as to interest, &c. as might be necessary to ensure itself against loss in case the money was misapplied.

27. In the case of loans the object of which is not specified, the Government can aid the banks to ascertain if the title of the applicant is good, and if there are prior encumbrances on the land. It can place the services of its registration offices for this purpose at the bank's disposal, and, if the machinery of registration should prove to be insufficient for the complete ascertainment of existing circumstances, it could perhaps provide by law for the issue of a proclamation calling on all persons claiming to be encumbrancers to appear within a certain time, and give the bank's claim a legal priority over that of any encumbrancer failing to appear.

The Government of India is of opinion, after consulting the Legislative Department, that there is no objection in principle to legislation for this purpose.

28. If, however, claims are made, the Government cannot undertake to provide a special machinery for their decision or determination. The application in such cases must be rejected till such time as the applicant has made good his title in the ordinary courts.

As the bank will in the first instance work in the area which the liquidators will have cleared for them, it is apprehended that few applications will have to be rejected on this ground.

29. In conclusion, I am to say that the intention of the Government of India in this letter is to suggest the outlines of the scheme, and to elicit the opinion of the Bombay Government on its practicability.

As an experiment confined to a small area, its failure can hardly lead to much harm; while, if it succeeds, it may prove of incalculable benefit to the whole country. In this view the Government of India attaches very great importance to it; and is willing to incur the pecuniary risk if the Government of Bombay will undertake the working of the measure.

30. I am to ask that, if the Government of Bombay consents to try the experiment, the Government of India may be informed as soon as possible of the area selected, the probable sum required to liquidate the debts, and, if possible, the probable loss of revenue which would be involved in remitting the stamp duty and court fees mentioned in paragraph 23. In respect of court fees, however, the loss would be not so much from the remission of the fees in suits instituted as from the diminution of the number of suits for money lent and on mortgage deeds, a loss of which no estimate can be expected.

I am to suggest that the Government of Bombay may perhaps find it convenient to communicate, through Sir William Wedderburn or in such manner as it may think best, with the native gentlemen interested in the subject, and ascertain how far the proposals herein made satisfy the wishes of those capitalists who are said to be prepared to establish an agricultural bank.

Enclosure 2, in No. 4.

From the Secretary to the Government of Bombay to the Secretary to the Government of India (Revenue and Agricultural Department), No. 2687, dated 3rd April 1883.

See page 24.

I AM directed to report, for the information of the Government of India, the proceedings taken by this Government on the receipt of your letter, No. 658, R., dated 5th December 1882, on the subject of agricultural banks.

2. I am to say that his Excellency in Council adopted the suggestion in the last paragraph of your letter, that communication should be opened through Sir W. Wedderburn with the native gentlemen interested in the subject. Sir W. Wedderburn was requested, on 20th December, to communicate with these gentlemen and to ascertain how far the proposal made in the letter of the Government of India met the wishes of those capitalists who were understood to be prepared to establish an agricultural bank. On the 21st December a letter was received from the gentlemen, residents of Bombay, named in the margin, who asked for information as to the intentions of Government, and were furnished with copy of the letter of the Government of India of 5th December. No further communication has been received from these gentlemen. But in January a letter was received from Sir W. Wedderburn, enclosing one signed by Ráo Bahádur Viziarangam Mudliâr, Chairman of the Poona Committee for the Establishment of Agricultural Banks, and reporting his proceedings in communication with that committee and with others interested. A reply to the latter letter was sent to the chairman of the Committee on 24th January (Sir W. Wedderburn having then left Bombay on furlough). A further letter from the chairman has since been received, dated 13th March, and as his two letters state the terms on which the committee, after full consideration, proposes to take its stand, I am directed to forward copies of both letters, for the information of the Government of India, with the following remarks by his Excellency in Council on the practicability of the scheme sketched out in your letter of 5th December.

The Hon. Ráo Sáheb Vishvanáth Náráyan Mandlik, C.S.I.
The Hon. W. M. Macaulay.
Sorábji Frámji, Esq.
Gokuldás Jagmohandás, Esq.
Vijbhukandás Atmárám, Esq.

3. I am to say that his Excellency in Council does not consider the scheme to be impracticable, and has no objection to try it on a small scale, if the preliminaries can be satisfactorily arranged. The táluka of Purandhar, in the Poona Collectorate, was first named by the Poona capitalists as a suitable area, and the selection has the approval of Government. Purandhar is a not unprosperous táluka, and a poorer area might easily be found. But the bank does not propose to deal with insolvent rayats, but with such as have credit and security to offer, and successful business could not be carried on if it were

were confined to a very poor táluka where security is bad and debt excessive. A fair amount of solvency is one of the conditions of success. No estimate of the aggregate amount of debt in Purandhar is available, but the Poona capitalists have stated the sum required as an advance to effect a settlement at 6,50,000 rupees. The chairman of the committee calculates that 25 or 30 per cent. of the rayats are insolvent, as being debtors in excess of 50 per cent. of the value of their property, that about 20 per cent. are above the need of loans, and that the remainder are in such circumstances as to afford a field for the operations of the bank.

4. The plan on which the committee proposes to work does not differ in the main from the scheme sketched in outline by the Government of India, but the committee has asked for some larger concessions, and added some new proposals, on which it is necessary to remark.

5. It will be observed that the committee insists that a liquidation of existing debt must be effected as a necessary preliminary to the commencement of business by the bank. In this view I am to say that his Excellency the Governor in Council concurs. At its commencement, at any rate, it is of great importance to the bank that all its loans should have the position of first charges. The committee considers that the liquidation should be voluntary, and the Government of India has expressed approval of this view. But if the liquidation is altogether a voluntary process it will furnish no security that the whole of a debtor's encumbrances and liabilities have been ascertained. Such assurance is, however, of great importance to the bank. It will therefore be advisable to make the provision by law established in paragraph 11, clause 7, of the letter of the Government of India, or to adopt provisions similar to those of Act XXI. of 1881, Chapter IV., which require all creditors to notify their claims in writing within six months of a certain date, every claim not so notified being deemed to have been duly discharged. With these remarks I am to say that the suggestions for a liquidation scheme in paragraphs 10 and 11 of the letter of the Government of India appear to his Excellency in Council to be in all respects suitable.

6. I am here to call attention to paragraph 3 of the chairman's letter, dated 13th March, from which it will be seen that the committee expects to have the liquidation completed, and the results at their command, before they place their scheme for a bank before the public. The liquidation will cause much trouble and expense, and it is for consideration whether the statements of the committee convey sufficient assurance of ultimate action to justify the immediate commencement of the work of liquidation, which is what the committee desire. His Excellency in Council is of opinion that the preliminary proceedings of the commission to be appointed, which will indicate the gross amount and character of the debt of the táluka before the business of liquidation is actually commenced, should afford the committee sufficient material for deciding whether they will undertake banking business or not.

7. The committee are of opinion that when a rayat's debts exceed 50 per cent. of the value of his property (which value they propose that the liquidator should ascertain) he is virtually insolvent, and his debts cannot be safely discharged by an advance of public money for the repayment of which the bank will become responsible. The committee would therefore fix the maximum limit of the liquidator's award at 50 per cent. of the value of the rayat's means. The limit is a safe one, but certainly not too low as a maximum award when it is considered that the rayats under liquidation will, while repaying the advance, require loans for occasional needs, to secure which a small margin of credit should be reserved.

8. The method of payment of the awards by the rayats presents some difficulties. The Government of India propose 6¼ per cent. as the rate of interest to be charged. The Bank Committee proposes that the liquidators should fix instalments at 9 per cent. interest and 1 to 3 per cent. for sinking fund. But 9 per cent. will be the appropriate rate only if the bank is ready to take over the business of recovery as soon as the liquidation is completed, and if Government undertakes the work of recovery a different calculation of instalments will be necessary. The liquidators might therefore simply fix the yearly sum which the debtor is to pay, leaving for after decision how much of it is to be credited to principal and how much to interest. What annual sum the debtor is able to pay may be best left to the judgment of the liquidators in each case. But they cannot fix the period over which the payment is to spread until they know which rate of interest is to be charged. It will, perhaps, be best that the liquidators should base their calculations provisionally on the rates proposed by the Bank Committee. If a rayat can repay an advance with 9 per cent. interest, *à fortiori* he can repay it with 6¼ per cent. interest.

9. The committee stipulates that Government shall by law secure to the advances of the bank the position of a first mortgage charge, whether the advance is made for the improvement of land or for the rayat's maintenance. On reading this stipulation his Excellency in Council was in doubt whether the committee had rightly apprehended the meaning of the Government of India as expressed in their letter, paragraphs 25–28. In the letter dated 13th March the committee explains that, as liquidation will precede the establishment of the bank in Purandhar, all the bank's loans to liquidated rayats may have the position of first charges. This is correct as regards

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the first experiment. But it would be unfortunate if the bank should conduct no business except with rayats who have passed under liquidation, as they appear to propose in paragraph 4 of their chairman's letter of 9th January.

10. The committee request that the whole of the stamp duty and court fees falling due in connection with the bank's advances should be remitted, at any rate during the first experimental stage of the bank's operations. I am to say that his Excellency in Council desires to leave for the decision of the Government of India whether the concession offered in your letter of 5th December, paragraph 23, should be thus enlarged. His Excellency in Council is hardly prepared to remit and bear the loss of duty and fees for an indefinite time, and on a large scale, and would at any rate limit any further concession to the initiatory stages of the undertaking. No data are available for estimating what the consequent loss of revenue would be.

11. I am to say that his Excellency in Council concurs in the views expressed by the Government of India in paragraphs 17 to 28 of the letter under reply.

12. I am next to notice two requests of the committee which affect the department of land revenue. First, the committee desire that Government will refrain for 20 years from revising the land revenue assessment of the táluka in which the experiment is being tried, "to admit of a fair start being made by the bank in its dealings with the rayats." In their late letter the committee appear to confine the request to those rayats who have come under liquidation. The concession would thus be an exceptional measure for the benefit of the bank, and in favour of its customers, and in this light his Excellency in Council is unable to entertain it. No doubt it would be convenient for the liquidators and the bank to know the contingent as well as the actual liabilities of the rayats they deal with, but it is practicable for them to keep in view a possible increase of assessment which may amount to 25 per cent. on present rates. In the Purandhur Táluka 45 villages have come under revision settlement, and the remaining 22 villages will shortly be revised. The revision may be completed before the bank commences its business. If not, as revision settlements are now conducted on certain fixed principles to ensure moderation in enhancement, it will not be difficult to announce approximately beforehand what the average enhancement of assessment will be.

13. The second request is that in case a rayat, being debtor to the bank, defaults in the payment of his land revenue, the bank "should have the choice of buying out the rayat's land by making the payment itself; or, if this is not to be allowed, the purchaser must by law be held to buy the land subject to the bank's debts charged on the same."

In meeting the objection made by Government to the first proposal, the committee submits that the bank can, as a private person, buy the rayat's holding under the present law. It is true that the bank can buy the defaulter's occupancy right if it is put up to auction (Bombay Act V. of 1879, Section 153). The bank can also as mortgagee pay any arrears due on behalf of the occupant, and so prevent forfeiture (Bombay Act V. of 1879, Section 80). Therefore no special concession appears to be required, and the bank must rely on the forbearance of Government in the recovery of land revenue arrears from rayats under liquidation. The alternative proposal that the bank's debt should be attached to the land is inadmissible and contrary to existing law (Bombay Act V. of 1879, Section 56). These proposals indicate a weak point in the scheme, viz., that the security on which advances will be made is not the land but the right of occupancy which may, if the land revenue is not paid, be forfeited, and the occupancy sold, "freed from all tenures, encumbrances, or rights created by the occupant, or in anywise subsisting against such occupant." It has been shown above that the bank can prevent the forfeiture of an occupancy by itself paying the arrears due thereon. His Excellency in Council desires me to add that, in his opinion, it will be necessary also to provide by law that the occupant shall not divest himself of the occupancy in any other way while he is liable for repayment of advances, and that the liability shall devolve, with the occupancy, on his heirs (Bombay Act V. of 1879, Sections 73-74).

14. The statement of the committee as to the course to be taken in years in which suspension or remission of the Government land revenue may be necessary (paragraph 17 of letter of 9th January) is satisfactory, and in accordance with the views expressed by the Honourable Major Baring in his speech on the Agricultural Loans Bill. The committee apparently do not object to any of the conditions imposed on the bank by paragraph 20 of Government of India's letter under reply, and the suggestions made in paragraph 20 of the chairman's letter of 9th January are approved. I am, however, to inquire whether it is the intention of the Government of India that the whole of the bank's dues should be regularly recovered by the revenue officers of Government, as is proposed in paragraph 16 of the chairman's letter of 9th January, or that the agency of the revenue officers is to be invoked only when the bank's constituents make default in paying its dues. With reference to this question I am to enclose an extract* from a letter of the Survey and Settlement Commissioner, which expresses forcibly the objections attaching to the use of Government agency in collecting the debts of the bank. His Excellency in Council, while

* No. 2481 of 13th December 1882, paragraph 11.

while he does not regard these objections as conclusive against this important concession, if granted as an experiment, and in a small area only, cannot but be sensible that they are entitled to much weight.

15. I am to say, in conclusion, that his Excellency in Council will await a further expression of the views of the Government of India on the papers forwarded with this letter before making a further communication to the committee.

Enclosure 3, in No. 4.

EXTRACT Paragraph 11 of a Letter, No. 2481, dated 13th December 1882, from the Survey and Settlement Commissioner.

11. I WILL allude briefly, in conclusion, to the political objection noticed by the Honourable Major Baring to the ultimate collection of the bank's instalments with interest being undertaken by Government, and I would venture to say that there is great danger of the objection being passed over as trivial, whereas in Bombay it has really very great significance. It must be remembered that the Bombay revenue system entails the direct settlement between Government and the rayat, however small his holding may be, and the exigencies of the public administration often require that poor cultivators should be dunned and compelled to pay their revenue demands by processes set on foot by the agency of the Collector. This can never happen in the greater portion of the eastern Presidency, where the settlement is made with zamindárs, large landowners, and village communities. The collections are not enforced by Government from the poor cultivator of the soil, and whatever opinion must always accompany the proceedings of the tax gatherer among the lower orders is in that case transferred to the actual realiser of the rents. If Government were to undertake to collect on account of an agricultural bank in those tracts, the collection would be distinct and its scope thoroughly known. In Bombay, on the other hand, and especially in the Dekkhan, where the ordinary rayat is exceedingly ignorant, and cannot distinguish between his liabilities, so far as to know how much he pays as land revenue, and how much is local cess, it is almost certain that the bank's dues when collected by Government will become mixed up in his mind with imperial and local taxation, and after the lapse of a few seasons the whole will be put down to taxation, and the land revenue policy of Government will suffer in popularity. I am aware that the promoters of the scheme assert that it will be only necessary in practice to resort to Government agency in very few cases, but this is contrary to all experience. Immemorial custom and tradition impel the rayat to defray his land revenue assessment at certain seasons of the year, but to pay off an advance of money with punctuality, and at a certain fixed time, is quite opposed to his habit and inclination. When he sees that the agricultural bank espouses his cause, so far as to compound his debts for him with his creditors, nothing will make him believe that the institution is not being conducted with an eleemosynary element in its constitution, and he will ordinarily require pressure before he pays any single instalment. It is to be hoped that in any case, if Government decide to collect the bank's dues from defaulters, the greatest care will be taken to keep the rayat's transactions with the bank separate from those relating to Government taxation, and that all payments on account of the bank's advances may be entered in a separate receipt book, and different processes employed to notify and realise the demand. Speaking as a settlement officer, and the one mainly responsible for the success of the revenue settlements, I cannot bring myself to believe that the economic advantages which will be derived from agricultural banks in Dekkhan tálukas will outweigh the political objections to Government undertaking the duty of a bill collector towards a poor community of cultivators. Since the days of the early settlements it has been the great boast of Bombay revenue officers that each cultivator has his one fixed Government demand explained to him once for all, beyond which nothing will be demanded from him by Government, and nothing will be realised, and if this principle of fixity of payment is liable to be altered by the inclusion in the Government demands of fluctuating sums on account of agricultural banks, one great guarantee for the success and popularity of the settlements will be removed. Let Government give every assistance in its power to the establishment of an agricultural bank, and let every privilege possible with regard to stamp duties and registration fees be accorded so as to make its business profitable, but this one portion of the programme should, in my humble opinion, be unhesitatingly abandoned.

Enclosure 4, in No. 4.

From Sir *William Wedderburn*, Bart., District Judge of Poona, to the Secretary to the Government of Bombay, Revenue Department, dated 15th January 1883.

On receipt of your letter, No. 8930, of the 20th ultimo, requesting me to place myself in communication with native gentlemen interested in the establishment of agricultural banks, and to ascertain how far the proposals of the Government of India satisfied their wishes, I addressed a letter to Ráo Bahádur V. Mudliár, the head of the deputation of Poona capitalists, who presented an address on the subject to his Excellency the Governor on the 23rd of November last. I have now the honour to forward copy of his reply, in which are set forth their views on the subject. They are of opinion that if an experimental bank he fairly started in the Purandhar Táluka, on the terms stated by them, there is every likelihood of the experiment turning out a considerable success and encouraging similar efforts elsewhere.

2. I also proceeded to Sásvad on the 5th instant with Mr. Moore, the Collector of Poona; Dr. Pollen, the Special Judge; and Mr. Woodward, the officer on special duty under the Dekkhan Agriculturists' Relief Act; and we there held a meeting of the most influential landholders, sávkárs, and others belonging to the Purandhar Táluka. The meeting was held at the residence of Nána Sáheb Purandharé, a first-class sardár, who has given the movement valuable support; and the chair was occupied by Mr. Moore. On this occasion the nature of the Government proposals was explained, the draft reply prepared by the Poona sávkárs was read and considered, and afterwards the questions were discussed in detail with a few of the practical money-lenders. It seems probable that the reply from Poona will be adopted by the people of Purandhar. In all these proceedings considerable assistance was received from Mr. Tipnis, the Subordinate Judge, who has shown active interest in the scheme.

3. As regards the Bombay capitalists I understand that the Honourable Mr. Mandlik is already in correspondence with Government on their behalf. I much regret that my immediate departure for Europe prevents my now communicating with these gentlemen personally, as I should have wished. But when on previous occasions they met at the invitation of the Honourable Mr. Mandlik they expressed their willingness to support the experiment of an agricultural bank. And, with the liberal concessions now offered by the Government of India, I expect there will be no difficulty in raising the very moderate amount of capital required. In the Dekkhan about five lákhs of capital will be subscribed, and an equal amount from Bombay would suffice. I would beg to point out that it is desirable that the shares should be held as an investment by men of position, and that they should not pass from hand to hand and become the subject of speculation in the market. On this account it would be very advantageous if some leading capitalist like Mr. Dinsha Mánekji Petit, in whom great confidence is felt, were to take up a considerable portion on account of himself and his friends.

4. In paragraph 9 of the Government of India's letter it is pointed out that a preliminary liquidation was an essential part of the Honourable Mr. Hope's original scheme for the relief of the Dekkhan agriculturists. I would therefore respectfully suggest that the present measures should be carried out under the supervision of Dr. Pollen, the Special Judge, so that the new proceedings may work in harmony with those now in operation under the Relief Act.

Enclosure 5, in No. 4.

From the Chairman of the Poona Committee for the Establishment of Agricultural Banks to Sir *William Wedderburn*, Bart., dated Poona, 9th January 1883.

With reference to your letter of the 27th ultimo, enclosing, for the information of the Poona Committee, a copy of the Despatch from the Government of India, No. 658, R., of the 5th ultimo, and desiring to be favoured with their views thereon, I am desired to submit the following statement of our views on the subject of agricultural banks.

1. The scheme now enunciated officially is in close accord with the views of the Honourable Major Baring, as announced by him in his speech before the Supreme Legislative Council upon the Honourable Mr. Crosthwaite's Agricultural Loans Bill in November last. Accepting the principles laid down in that speech, we formed ourselves into a local committee, and, as you are aware, have communicated our views to his Excellency the Governor in an address which he was pleased to accept at the hands of a deputation from our body on the 23rd of November last. We still adhere generally to the views then expressed by us, and we trust that the Local Government will accept them as the basis of its own recommendations.

2. Since

2. Since that time we have been able to ascertain the views of the leading sávkárs at Sásvad, Wái, Sátára, Karhád, Ashte, Tásgaon, Vita, Rahimatpur, Khatáv and other places in the Poona and Sátára districts. The views of the Ahmednagar sávkárs had been already ascertained, and there seems to be a general approval of the main principles of the scheme as proposed in our representation on the part of all who are qualified to form an opinion on the subject. Within the next two or three months we hope to be able to elicit an expression of the views of the leading sávkárs throughout the four zillahs as well as of the capitalists of Bombay and Gujarát.

3. Meanwhile we can safely assure the local and Supreme Governments that if the experiment of an agricultural bank be fairly started in the Purandhar táluka on the basis of the concessions sketched below, there is every likelihood of the experiment turning out a considerable success, and encouraging similar efforts elsewhere.

4. In our opinion the scheme of liquidation cannot be separated from the proposal to start an agricultural bank, either as a first experiment at Purandhar or afterwards on the same foundation in any other táluka. A settlement of former debts must be made on reasonable terms proportionate to the capacity of the soil and the burdens of the State imposed thereupon.

5. The settlement of debts can only be effective when undertaken by the State, if necessary, with full legislative and executive powers. The settlement must be voluntary to be successful or to inspire confidence in all classes. Any undue pressure brought upon the debtor to force him into insolvency or coerce the creditor to accept a compromise which was less advantageous to him than his legal rights, as at present secured by law, would be an impediment in the growth and popularity of the experiment.

6. The settlement must be undertaken on a wholesale scale, and not confined to parties who are engaged in litigation. The plan which appears to us to be most acceptable is one which was adopted by Government in the settlement of inám claims under Acts II. and VII. of 1863. Mr. Gordon's Commission allowed full liberty to the parties concerned to choose between a settlement which represented a compromise, or the alternative of a formal inquiry. A similar choice should be allowed in the present case.

7. The Commission should be composed of an English official assisted by one or more native officers acquainted with the táluka and two non-official representatives from the resident sávkárs or inámdárs in whose probity the public feels confidence.

8. The Commission should settle the amount of former debts payable to the sávkárs. If parties agree to a compromise, which is approved by the Commission, there is an end of the matter. If they do not agree, they should be referred to the civil courts. If the civil court's award meets with the approval of the Commission, it should be acted upon; otherwise, parties should be left to their remedies as at present.

9. The Commission should in the course of the inquiry ascertain and fix the value of the property, and the average income derived by the rayat from it or from other sources, and available to meet his liabilities.

10. In no case should the award of the Commission exceed 50 per cent. of the value of the property as fixed above. In all those cases where the debts as settled by the Commission exceed this amount, the rayat is not really in solvent circumstances, and his liabilities cannot be safely satisfied by a loan of public money which is to be repaid afterwards by the bank. In our opinion about 25 or 30 per cent. of the rayats will fall under the category. About 20 per cent. will require no help. The remaining 50 or 60 per cent. will afford ample scope for the operations of the bank during its first experimental stage.

11. When these inquiries are thus finished the amounts due to the creditors should be paid to them by the Government in the first instance, and arrangements should be made by the Commission for the repayment of the sum so advanced, together with interest at 9 per cent., and from 1 to 3 per cent. should be added to the annual instalments for the gradual liquidation of the principal amounts.

12. As soon as this work is finished Government should be prepared to hand over the business to the agricultural bank on repayment by the bank of the sum advanced. In many cases we hope that Government will not have to advance any money in cash, but the creditor will consent to become a shareholder in the bank for the amount due to him, and in that case no payment will be necessary. Of course, the smaller creditors will not consent to this arrangement, and these will have to be paid their amounts in full.

13. Besides the two concessions of preliminary inquiry and first advance to be made by Government, it must consent to grant full exemption from general stamp duties and court fees and registration charges. In its present letter the Government of India contemplate only a partial relief under this head. During the first experimental stages the relief, in our opinion, must be complete to ensure the success and popularity of the scheme.

14. The bank will undertake to repay the money back to Government within two years with interest at 4 per cent. A shorter term, and a larger rate of interest, are suggested in the Government scheme, but for a first experiment we think two years' term and 4 per cent. interest should be allowed.

15. The Government must by law secure to the advances of the bank the position of a first mortgage charge, whether the advance is made for the improvement of land, or for the maintenance of the rayats. To confine this advantage to advances made for land improvement only will fail to secure relief to those who need it most, and will hamper the final success of the scheme.

16. The advances so secured, as well as all money subsequently advanced, within the limits mentioned above, should be a first charge on the land after the assessment, and should be recoverable through the revenue agency free of cost like arrears of land revenue.

17. In case Government finds it necessary to suspend or remit its revenue for any particular year, it will notify the fact to the bank; and may, therefore, withhold the help of its agency for that year. In such cases the bank should consent to waive its right for the year by enlarging the period of its instalments, or seek recourse in the ordinary courts for relief.

18. Even as regards the assessment Governmont should refrain from revising the assessment at the periodical revisions for a term of 20 years within the táluka where the experiment is being tried, so as to allow a sufficient period for the bank's operations to take root and inspire general confidence. The 20 years' term mentioned above will afford a sufficient time to the rayats and the bank to re-adjust their mutual relations in view of the impending revision.

19. In case the rayats commit default in the payment of the assessment, the bank should have the choice of buying out the rayat's land by making the payment itself, or if this is not to be allowed the purchaser must by law be held to buy the land, subject to the bank's debts charged on the same.

20. All advances made by the bank should be entered in a separate book to be furnished to each rayat dealing with it; and all payments made should be credited by the bank's agents in the same book at the time of payment. All payments should be made through the pátil or kulkarni, and copies of the debit and credit entries should be sent in duplicate to the village or circle registrar by the bank's agents.

21. The bank's business in each táluka should be conducted in accordance with rules framed by Government. The account should be kept and the bonds written in due form, and should be open to inspection half-yearly or yearly by a proper officer appointed by Government.

22. The bank's dealings must in no case be made on personal security, or on the security of moveable property. No claims on the lands or houses charged in respect of advances made by the bank should prevail against the bank till its debts be fully discharged.

23. The bank should under no circumstances charge more than 12 per cent. interest, and in large dealings from 2 to 3 per cent. should always be received as part-payment of the principal.

24. The bank's local business will be conducted under the advice of a local board of sávkárs (who consent to be shareholders above a specified amount) by a paid agent who will receive his final orders from the central board. The central board will also appoint the local board.

25. Government should not withdraw or change the concessions named above without full notice to all parties concerned, and in no case should such withdrawal or change have a retrospective effect.

26. The scheme sketched out above in paragraphs 4 to 25 appears to us to be necessary to secure the success of the experiment. With further experience many modifications in its details may be suggested, but for the present it will not be safe to relax or omit any of its provisions. It has been framed by us in accordance with our own views and the suggestions we have received from mofussil sávkárs. As pointed out in the letter of the Government of India, paragraph 11, a special enactment giving the necessary powers will have to be passed before the scheme comes into operation. We request that you will be pleased to forward these views to the Local Government, and to suggest that any final action that it might deem necessary to take in this connection should be postponed till an opportunity is allowed to us to express our views again upon the scheme as it meets with the acceptance of the Local Government.

Enclosure 6, in No 4.

From the Poona Committee for the Establishment of Agricultural Banks to the Governor of Bombay, dated Poona, 23rd November 1882.

May it please your Excellency,

We, the members of a committee appointed on Monday last at a meeting of the local capitalists interested in the establishment and successful working of an agricultural bank, by way of an experiment, for the benefit of the Purandhar táluka of this district, beg leave to approach your Excellency with a brief statement of our views on the subject. We were glad to learn from the debate in the Supreme Legislative Council on the occasion of the introduction of the Agricultural Loans Bill, that the Government of India have had this important subject under consideration for some time past, and that they have forwarded for the consideration of your Excellency's Government certain proposals connected with the subject. And we were exceedingly gratified to learn from Sir William Wedderburn, Bart., our district judge, on Monday last, that your Excellency, who has had a practical acquaintance with the working of similar institutions in other parts of the world, is prepared to give cordial assistance to the practical working of the scheme here, and that the knowledge of your Excellency's favourable disposition has influenced the Government of India in deciding that this Presidency should have the advantage of the proposed experiment. With your permission we beg to state that in the early part of this month two preliminary meetings of some of the leading capitalists in Bombay were held at the residence of the Honourable Ráo Sáheb Vishwanáth Náráyan Mandlik, C.S.I., and that they are willing to take the lead in this movement under due encouragement from your Excellency's Government. In the same way some of the leading capitalists of Sásvad, the head-quarter town of the Purandhar táluka, assembled early this month at the residence of Ráo Sáheb R. S. Tipnis, sub-judge of that táluka, on which occasion they expressed their willingness to materially assist in the successful working of the proposed institution.

With your Excellency's permission we shall now proceed to state briefly our views upon the subject of agricultural banks. Owing to a combination of various circumstances, to which it is not necessary to particularly refer, the relations between the sávkár and the rayat are anything but cordial and satisfactory as they once used to be. Though the sávkár has been admitted to be almost as necessary to the rayat as the seed he sows and the rain which fructifies it, still the combined circumstances referred to above have taught the latter to look upon his creditor in the light of his uncompromising antagonist rather than as a sympathetic collaborator, each existing for the benefit and advancement of the other. The establishment of agricultural banks would go a great way towards re-habilitating both the sávkár and the rayat in the former mutual good-will and mutual confidence. The rayat wants capital at a reasonably low rate of interest, while the sávkár wants a safe investment of his capital, and is ready to be content with a small profit if only he has facilities afforded him for the punctual recovery of his just dues. Both these conditions will be fulfilled by the establishment of a bank like the one we contemplate to establish under due encouragement from your Excellency's Government. We respectfully beg to submit, for the favourable consideration of your Excellency's government, some of the principal privileges which the bank should enjoy in return for the concessions which it would be prepared to make.

We believe that it is the intention of Government, as a preliminary step, to appoint a special commission including representatives of the sávkárs and the rayats to inquire into and settle by composition the existing secured and unsecured debts in the Purandhar táluka, and we would suggest that the Commission should be instructed that the amount of the award should in no case exceed 50 per cent of the value of the land which the rayat owns. In the absence of full information we approximately estimate the amount required for the settlement operations to be 6,50,000 rupees, which amount, it is hoped, will, in the first instance, be advanced by Government. The bank will, during the course of two years, pay back the money to Government with interest at 4 per cent. We would further respectfully propose that the instalments due to the bank should be made a first charge upon the land after the Government assessment, and that they should be collected through the revenue officers like the Tagai advances made by Government. It is hoped also that Government will see their way to a total remission of the stamp duties, court fees, and registration fees upon the operations of the bank. In consideration of these principal privileges we undertake not to charge more than 12 per cent. interest upon our advances to the rayats. These advances shall not exceed 75 per cent. of the value of the lands of the debtors, and they will be for general purposes and not for land improvement only. We also engage to keep our account books in a form prescribed by Government and will submit them for inspection and audit to any officer appointed by Government for the purpose, but express a hope that no fees will be charged for the same. The bonds also will be prepared in a form prescribed by Government, and every loan will be registered in the office of the collector or any sub-divisional officer as Government may direct. Moreover, in those years when, owing to scarcity, Government will remit or suspend its land revenue demand, we shall not expect any Government assistance in the recovery

of our instalments. There are other points of detail which must still receive the careful attention of the Committee, and we hope that when submitted they will also receive the favourable consideration of Government.

It is proposed that the bank should have a subscribed capital of 10,00,000 rupees in shares of 500 rupees each, and of this amount 100 rupees per share will be called up, the unpaid capital remaining as a security to debenture holders and depositors of the bank. In addition to the unpaid capital the debenture holders and depositors of the bank will have as a security the total mortgages held by the bank, which will exceed the total amount advanced by an estimated margin of 33 per cent. Out of the 100 rupees per share paid up it is proposed that half should be employed in the business of the bank, and that the other half should be invested in Government securities as the nucleus of a reserve fund to be an additional security to the creditors of the bank. It is further proposed that all profits in excess of 9 per cent. per annum shall be credited to the reserve fund until the total of the reserve fund amounts to three lákhs of rupees.

In conclusion, thanking your Excelleucy for your kindness in having received this address at our hands,

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Enclosure 7, in No. 4.

From the Chairman of the Poona Committee for the Establishment of Agricultural Banks, Poona, to the Secretary to Government, Revenue Department, Bombay, dated Poona, 13th March 1883.

* Not received.

WITH reference to your letter, No.608, of 1883, of the 24th January 1883,* I have the honour to state that the same was placed by me before the bank promoters' committee for their consideration, and I shall now proceed to state briefly the views of the committee on the several points referred to in your letter.

1. The committee in the first place wish to express their grateful sense of satisfaction for the careful consideration which Government has been pleased to accord to their proposals submitted through Sir W. Wedderburn. The Government of India's letter only sketched out and recommended a general plan, but left it to the local government to approve and settle the details. The committee, when they first submitted their proposals, had no authoritative declaration of the views of the local government before them, and they, therefore, submitted their proposals in a more detailed form than would otherwise have been necessary. As you will see, however, from the concluding paragraph of the proposals, they were not meant to be such as could not be reconsidered, and the committee, with the information which they now possess of the intentions of Government, feel encouraged to solicit a reconsideration of the several proposals on which a difference of opinion has been shown to exist.

2. Before, however, proceeding to these details, the committee are anxious to clear up one point in relation to the connection between the experimental liquidation scheme and the agricultural bank proposed to be started. In the concluding paragraph of your letter it is suggested that, in case the concessions offered by Government are not accepted by the committee, the Government will withdraw the officer who, it is stated, has been deputed for this inquiry. The committee are not aware that any such officer has been deputed to this work, and before the preliminaries are settled, the non-official assessors appointed, and new legislative powers conceded (such as those sketched out in the Government of India's letter, paragraph 11), no such liquidations can be undertaken. Quite independently of this consideration, however, the committee are unable to see that the two operations are so closely connected that Government should deem it necessary to abandon the liquidation inquiries unless the committee gave a preliminary assurance of their ability to take up the business off the hands of Government. As far as they have been able to study the recommendations of the Government of India, the two operations, though closely related, are not so connected as to make the one a condition precedent of the other. In the sixth paragraph of their letter the Government of India state distinctly that "the two matters are not essentially connected. It is quite possible to carry out the liquidation without the establishment of a bank, and it is quite possible to establish a bank without ascertaining and liquidating the debts of the peasantry." Again in the 12th paragraph of the same letter the Government of India distinctly contemplate two contingencies, in one of which only the two schemes are connected with one another. In the 14th paragraph, again, the Government of India recommend a charge of 6¼ per cent. interest, if the liquidation operations have to be undertaken by themselves, and only 4 per cent. interest if an agricultural bank is started, and takes up the business off the hands of Government. The Government of India further on express their readiness to bear the whole risk and loss of such operations (paragraphs 14 and 29), which contingency has obviously no place if the liquidation arrangements are only to be undertaken on condition that a bank shall be started to repay the advances made by Government with interest. It is true there are casual expressions used in paragraphs 15

and

and 16, which lend support to the other view, but the committee submit that the principal intention is plain enough, namely, that the Government of India is prepared to undertake liquidation in an experimental táluka, which may or may not lead to the establishment of an agricultural bank.

3. The committee further beg to submit, for the consideration of Government, that even if the Government of India's letter admitted of the other interpretation, it is plainly impossible for any private capitalists to undertake the floating of a bank project like this without a more detailed knowledge than they can at present possess of the value and solvency of the estates likely to be affected by its operations, and this knowledge can only be secured by the liquidation inquiries. Without such details before them the committee will not be able to inspire adequate confidence in the subscribing public as to the success of the undertaking. If the result of the preliminary inquiries prove that the indebtedness of the rayats and the charges on the lands are on a scale which admit of the hope of successful business operations in the way of banking on moderate terms of interest, the committee of promoters which has been formed in Poona are prepared to undertake the work of recommending the scheme to general support, and from the information they possess of the views of the local capitalists, both in the city and in the districts, they have every reason to hope that their efforts will succeed in starting the bank with sufficient funds to ensure a safe business. Under these circumstances the committee are anxious that the Local Government should without delay issue the necessary orders and secure the necessary legislative powers, authorising the commencement of the inquiries into the indebtedness of the peasantry in the Purandhar Táluka, in the hope and the assurance that if the results are satisfactory the inquiry will pave the way for the proposed bank, and that the advances made by Government will be repaid to them in two years from the date of their payments.

4. Turning next to the consideration of the details, the first point of difference noticed in paragraph 4 of your letter under reply relates to the prayer of the committee for the total exemption of the operations of the proposed bank from the burden of stamp duties and court fee and registration charges. The Government expresses its readiness to recommend a partial remission, but is opposed to a total exemption. On this point the committee beg to submit that in the early discussions on this subject, notably in the speech of the Honourable Major Baring in the Supreme Legislative Council on the occasion of the introduction of the Agricultural Loans Bill, a definite assurance was held out that a total exemption from these incidental charges would be a reasonable concession which the Government of India might be induced to make. The Government of India has already, in respect of the operations of the Dekkhan Agriculturists' Relief Act, granted such total exemption of court fee charges upon redemption and account suits, and has sanctioned a reduction of half the charges on all agricultural suits, and a very considerable reduction of fees on the registration of agriculturists' instruments. With these precedents and official declarations before them, the committee are humbly of opinion that the Government of India will not be disinclined to allow a total exemption if the local authorities recommend it. As the sphere of this exemption will be confined to a very small portion of a single táluka, or at the most the entire táluka, there is little danger of any serious loss of revenue, especially as Government is prepared to recommend a partial exemption. While the loss of revenue will be thus insignificant, the freedom from delay and annoyance will be of the greatest help to the successful starting of the experiment. The committee accordingly pray for a reconsideration of this point.

5. Government have been pleased to approve of the proposal made by the committee to extend the period of payment from one to two years, as also to fix a limit of 50 per cent. on awards to be made to the liquidators, as a safe proportion between the value of the security and the sums to be charged on the same. These points, therefore, call for no further remark.

6. The next point relates to the legal character with which the bank's advances should be invested in the eye of the law, as against other claimants and the debtor constituents themselves. Government is prepared to allow all advances made for the improvement of land the position of a first mortgage charge against all prior and subsequent claimants, on the analogy of the English Land Improvement Acts. So far there is no difference, which only manifests itself in respect of advances not made for the purpose of improvements. The committee in their first proposals suggested the plan of a general assimilation of all advances, whether made for improvements or other purposes. The Government of India's letter distinctly lays down (paragraphs 18 and 19) as a necessary condition that the bank shall not lend except on land, and, generally speaking, only on first mortgage, and this limitation is plainly the only justification for limiting advances to three-fourths the value of the security. The proposal made by the committee on this point is thus in strict accordance with the views of the Government of India. The distinction made by the Government of India between loans for improvements and loans for other purposes, in paragraphs 26 and 27 of their letter, has reference only to those debtors whose debts will not be liquidated by the Government advances and repaid by the bank, and have no application to the case of Purandhar when the liquidation will precede the establishment of the bank. Both these 26th and 27th paragraphs, moreover, have to be read in subordination

to the main question which concludes Clause 1 in paragraph 25, namely, "How is it to be assured that the bank really holds the position of a first mortgagee?" This question would be out of place if the Government of India contemplated any difference of legal title between advances made for improvements and other advances. Further, in the nature of things, no lender, and least of all a bank, can effectually undertake to see to the application of money lent. Even if ostensibly borrowed for improvements, the debtor will too often misapply the loan to other purposes. The officers of Government have had painful experience of the impossibility of checking such a misapplication of Tagai advances, and it was to avoid this confusion that the Government of India laid down that the bank should not be required to inquire into the purpose of the loan, but should make no advances whatsoever except on land, and should only see that the fixed limit is not exceeded. The committee accordingly pray that this point also may be reconsidered with the further light they have been able to throw upon this part of their proposals. The same reasons which justified the imposition of a restraint upon the operations of the Presidency Bank, in respect of the nature of the securities on which it might lend, justify the precaution formulated in our proposals, and the committee trust that it will meet with the approval of Government.

7. With regard to the proposal to postpone the introduction of fresh revision settlements in the Purandhar Táluka for 20 years, the committee beg to submit that in that táluka the revision rates were introduced in 36 villages in 1879-80, the very year which saw the enforcement of the Dekkhan Agriculturists' Relief Act, a measure having for its avowed object the reduction of the claims of private sávkárs on agricultural debtors, and that in the other villages which are still under the old settlement the term of this settlement will expire shortly. In regard to the former there is therefore no likelihood of Government suffering any loss, for the term of 20 years will expire long before the guaranteed period shall have run out its term. As regards the unrevised villages, which form more than half the táluka, the question has to be considered in another point of view. The committee do not ask Government to forego their right for ever, but only to postpone the revision enhancements for a term sufficiently long to admit of a fair start being made by the bank in its dealings with the rayats. The past famine and the subsequent low prices are likely to render any large enhancements very unlikely in Purandhar. Further, the policy of adding to the State burdens on the rayat's lands just at the time when such strenuous and exceptional efforts are being made to lighten the private sávkár's debts has been questioned by high authorities, and certainly deserves further consideration. Quite apart from these general considerations, however, the committee beg to suggest that the settlement by liquidation officers, and the instalments in payment of principal and interest which they will be called upon to make, can only be based on a calculation of existing charges, and these calculations cannot but be most seriously disturbed, if not set aside altogether, if any of these existing conditions are materially altered, thereby reducing the excess profits of the rayats, from which alone they can pay the fixed instalments of the bank's debts. In this connection the committee beg to draw your attention to the reason assigned by the Government of India in their letter, paragraph 13, as to why the amount of the award by the liquidators should not exceed a fixed limit. The same considerations require this limitation, which of course will apply only to those rayats who will come under the operation of the liquidation scheme. In regard to the others no such protection can be required, for the bank in dealing with them will deal with a full knowledge of their existing liabilities. The committee trust that this further explanation of their views will dispose the Government to reconsider this matter, and to accord its consent thereto.

8. In regard to the last point which calls for any further explanation, the committee humbly submit that their prayer was alternative in form, namely, either that the bank should be allowed to buy the defaulting rayat's land, or, if it is to be prevented from buying as other private purchasers, such purchasers should be required to buy the land burdened with the liability for the bank's mortgage charge. The committee fail to see why the first half of the prayer has been disallowed, for it is a right which the bank, as a private person, can exercise under the present law, and if that right is recognised the second alternative requires no consideration. The committee placed both alternatives before Government, because they apprehended that political considerations might induce Government to place a bar in the way of the banks becoming purchasers of defaulting rayats' lands. If these political considerations are to be allowed such unusual weight, the committee think that the bank will be fairly entitled to the concession implied in the other alternative.

9. The committee have thus noticed all the points of difference touched on in your letter under reply. As Sir W. Wedderburn is absent on leave, the committee beg, finally, to suggest that Government will be pleased to ascertain the views of Dr. Pollen, the Special Judge, on several points noticed above, and that Government will be pleased to adopt the draft proposals submitted through Sir W. Wedderburn, *en bloc*, as such a concession will greatly strengthen the hands of the committee in the arduous work of starting this great experiment on a fair and reasonable footing; an experiment which, if it succeeds in the Purandhar Táluka, will lead to the establishment of similar institutions elsewhere, and inaugurate an entire and a most welcome improvement in the condition of the peasantry of the Deccan.

Enclosure 8, in No. 4.

From Officiating Secretary to the Government of India (Revenue and Agricultural Department – Revenue) to the Secretary to the Government of Bombay, No. 572, R., dated Simla, the 23rd May 1883.

I AM directed to acknowledge your letter, No. 2687, of 3rd April, forwarding proceedings relative to the establishment of an agricultural bank in the Bombay Presidency, through the agency of a committee of native gentlemen which has been formed at Poona for this purpose.

2. Before entering fully into the different points involved, there is one preliminary question which appears to his Excellency the Governor General in Council to be of such primary importance that it is desirable that a clear understanding as to it should be come to between the Poona Committee, the Government of Bombay, and this Government before matters proceed any further. In suggesting the idea of an agricultural bank to the Government of Bombay, the Government of India said that it was prepared to concede to the bank "the privilege of recovering its debts from the land through the revenue officers as arrears of land revenue." This might, perhaps, have been more clearly expressed, but the intention of this Government was that the bank *as a last resort* should be able to apply to the revenue courts for assistance to collect its debts from a defaulting debtor, not that it should invariably look to Government as the sole agency by which its debts were to be collected.

3. It is not clear whether the Poona Committee have thus understood the intentions of this Government, as the chairman merely says that the advances ought to be "recoverable through the revenue agency free of cost like arrears of land revenue." In your letter under reply, however, you say that the Poona Committee have proposed that the whole of the bank's dues should be regularly recovered by the revenue officers of Government, and you ask whether this was meant.

4. As this was not the intention of this Government, it is desirable that the matter should be explained to the Poona Committee, and a definite understanding come to. In the opinion of this Government, the bank should be required to prove that it has reasonably attempted to collect the debt before the assistance of the revenue court is given. Such proof might consist in the due service of a notice on the debtor. It may be also considered whether the bank should be required to pay a fee on any process issued on its application by the revenue court against a debtor. The scale of such process fees need not be high, but the Government of India is inclined to think that such payment, however moderate in amount, is necessary in order to induce the bank to exert itself in the collection of its own debts.

5. I am to ask whether these views commend themselves to the Government of Bombay, and to request an early reply to this communication. As his Excellency the Governor in Council attaches considerable weight to the representations made by the Survey and Settlement Commissioner, who objects to the use of Government agency in collecting the debts of the bank, it is presumed that the expedient now suggested for limiting resort to this agency as far as possible will meet with his Excellency's general concurrence. If, however, the Government of Bombay, after consulting the Poona Committee, is of opinion that these restrictions are excessive, the Government of India will be glad to learn the final recommendations of the Government on this important question.

Enclosure 9, in No. 4.

From Acting Under Secretary to the Government of Bombay to the Secretary to the Government of India (Revenue and Agricultural Department), No. 5548, dated Bombay, 26th July 1883.

I AM directed to reply to your letter, No. $\frac{572}{115\text{-}3}$, R., of 23rd May, relating to the establishment of an agricultural bank in this Presidency.

2. I have the honour to enclose, for the information of the Government of India, the reply of the Poona Committee to the question whether they propose that Government

should be the sole agency for recovering the debts of the bank, or that the bank should apply for the assistance of the revenue courts only as a last resort. The reply is, that the committee all along intended that the dues of the bank should be recovered by the agency of Government only as a last resort.

3. With regard to the question whether the bank should be required to pay a fee on any process issued on its application by a revenue court against a debtor, it has been objected that this proposal does not accord with the intention of Government to exempt the bank's transactions as far as possible from charges, and also that the fee will be added to the bank's demand from the debtor, I am to say that his Excellency in Council nevertheless is of opinion that it will be judicious to charge the bank with a small fee on the processes against defaulters, that the bank may be induced to exert itself in the collection of its own debts.

4. The Poona Committee suggests that, in proof that the bank has taken reasonable pains to collect a debt for the recovery of which assistance is asked, the bank's final notice to the debtor should be served through the revenue authorities, and should inform him that unless the instalment overdue is paid before a fixed date the assistance of the revenue court will be applied for. His Excellency in Council does not see any serious objection to this proposal, and the notice might be served by or in the presence of the village officers, and a duplicate signed by them for production in the revenue court when application for assistance is made.

5. I am to say that his Excellency in Council entirely concurs with the Government of India that the assistance of the revenue court should be given only as a last resort, and not as the sole agency for the recovery of the bank's debts.

6. I am, further, to forward for submission to the Government of India a letter dated 1st June, containing proposals from the Bombay Committee mentioned in paragraph 2 of my letter, No. 2687, of 3rd April, and a letter dated 19th June, in which the same committee states its views on the points raised in your letter of 23rd May, now under reply. The conditions proposed by this committee are less reasonable than those of the Poona Committee, and I am to say that his Excellency in Council is unable to recommend them to the favourable consideration of the Government of India. It has been ascertained that the Bombay and Poona Committees are entirely independent of each other.

Enclosure 10, in No. 4.

From Ráo Bahádur *Viziarangam Mudliar*, Chairman of the Poona Committee for the Establishment of Agricultural Banks, to the Honourable *J. B. Peile*, C.S.I., Member of Council, Bombay, dated 13th July 1883.

*Not printed.

WITH reference to Mr. Under Secretary Monteath's letter, No. 4247,* dated the 5th ultimo, forwarding extract paragraphs 2-4 of a letter from the Government of India, No. $\frac{572}{115\text{-}3}$ R., dated the 23rd May last, I have the honour to state that the Poona Committee for the Establishment of Agricultural Banks, as you are aware, all along intended that the bank's dues were to be recovered by the Government revenue agency only as a last resort and not invariably.

See page 39.

2. With reference to the suggestion contained in the fourth paragraph of the Government of India's letter under acknowledgment, regarding the levying of a moderate fee on the processes issued at the instance of the bank, the committee are of opinion that the levying of such a fee, howsoever moderate, would be opposed to the principal understanding upon which the whole scheme is conceived, namely, that Government is prepared to afford all possible facilities towards the success of the scheme free of all charges. Under these circumstances the committee hope that the Government of Bombay will support their view that no such fees be levied.

3. As regards the proof which the bank is to afford to the revenue authorities that it has made all reasonable efforts to recover its dues from its debtors before the latter's assistance can be obtained, the committee are of opinion that, with a view to avoid all possible friction between the bank and the revenue authorities, the bank's final notice to the debtor should be served on the latter through the revenue authorities, the notice specifying that unless the instalment was paid before the prescribed period the assistance of the revenue authorities would be applied for, and that after the expiry of the prescribed period the revenue authorities shall recover the instalment as an arrear of land revenue. The committee trust that their suggestion will recommend itself to the Government of Bombay.

4. Lastly, I am to request that, should Government see no objection to do so, the committee may be favoured with a copy of the Government of Bombay's letter to the Government of India on the proposals of the committee.

Enclosure 11, in No. 4.

From the Bombay Committee for the Establishment of Agricultural Banks to the Secretary to Government, Revenue Department, Bombay, dated 1st June 1883.

WE have the honour to acknowledge the receipt of your letter, No. 46, of 1883, dated the 4th January last, forwarding copy of Government of India's letter, No. 658, R.,* dated the 5th December 1882, as giving the terms on which that Government is prepared to consider proposals for the establishment of Agricultural Banks; and adding that "his Excellency the Governor in Council is not prepared to recommend any deviation from the conditions proposed by the Government of India, or to advocate the grant of the larger concessions asked for by you; but that he will be glad to consider any project which keeps within the liberal terms offered by the Supreme Government."

Not printed. *See* page 24.

2. In reply, we beg to submit the following observations and proposals for the consideration of his Excellency in Council, and for the favour of their submitting the same to the Government of India for final sanction.

3. In our last letter (copy of which we beg to hand herewith) we briefly stated the circumstances, showing the necessity for the establishment of an Agricultural Bank, and the conditions under which such a bank could, in our opinion, be launched. We adhere to the propositions advanced in that letter, except so far as they may have been modified by this communication.

4. We believe that the aforesaid Despatch of the Government of India is rather suggestive than restrictive, and that that Government would be willing to consider a scheme which, while falling mainly within the lines indicated in Mr. Buck's letter, may deviate from them in some particulars. It is in this belief that we venture to submit the following communication.

5. Circumstanced as the agricultural population of the Deccan is at present, we are inclined to differ from one of the propositions advanced in paragraph 6 of Mr. Buck's letter, viz., that it is possible to establish an Agricultural Bank without previously ascertaining and liquidating the debts of the peasantry. More causes than one have conspired to reduce the credit of the Deccan peasantry to a minimum. The accumulated burden of debt on the holdings of the Deccan rayat is admitted to be disproportionately heavy; the present revenue settlements are indefinite in their character, and liable to variations upon no recognised principles except those vague considerations which are set out in Sections 28, 29 and 30 of Bombay Act I. of 1865, and Sections 100 to 107 of Bombay Act V. of 1879; the little credit which had survived the operation of these causes has been further shaken by the Deccan Agricultural Act of 1879, which has upset the normal operations of mercantile credit in the Deccan districts. All these circumstances combine to make it very difficult, if not almost impracticable, to establish any bank, which can, even with the assistance of the privileges proposed to be accorded by Government, confidently undertake to rescue the rayat from the slough of indebtedness; because it will have to be remembered that the concessions hitherto thought of or offered by Government, directly or indirectly, benefit the agriculturist alone in most instances, and hold out no inducements to capitalists. The condition of the Deccan rayat is, it seems to us, such as will baffle all attempts at amelioration by any half measures; and as the Government of India is serious in its desire to rescue the rayat from his desperate condition, it appears to us that that Government will have to be prepared to depart from the lines now indicated, and grant further concessions calculated to attract investments from capitalists without entailing any risk on Government. The proposals which we have to submit in this connection we shall discuss further on.

6. In reference to paragraphs 8 to 15 of Mr. Buck's letter generally, we may observe that the Government of India propose to try the experiment of liquidation from Government funds only in a selected area, and consider that the general extension of the principle would be impossible for Government. We fully appreciate the reluctance of Government to undertake the office of money lender, and recognise that under ordinary circumstances it will never be a sound or a safe policy for any Government to seek to disturb ordinary money-lending transactions between creditors and debtors. But we regret we do not see our way to sharing the hope of the Government of India that they can observe this rule in this case under the exceptional state of circumstances prevailing in the Deccan. It appears to us hopeless for any bank to undertake either to make advances to the Deccan rayats while the present debts remain outstanding, or to secure the position of first mortgagee by paying off the prior creditors. The risk involved therein is so great as to stagger the most enterprising capitalist. We accordingly venture to submit that, in order to carry any relief to the indebted agriculturists of the Deccan, it will not be enough for Government merely to undertake to help private capitalists in the ascertainment of debts and in the recovery of advances made. We think that if the scheme is to be a success, Government will have to clear the ground for the bank by first ascertaining, and then liquidating from its own funds (on certain conditions for repayment) all the past debts of those rayats who are to be helped in the entire táluka where the bank is to carry on its operations.

7. When the ground is thus cleared in respect of past debts we think that capitalists may be expected to furnish capital for making advances to rayats for their future wants under such concessions and restrictions as may be agreed upon between them and the Government. But before they do so they will necessarily require the further concession of a privilege that their claims against rayats will have legal priority over all other private claims, and that they will rank next to the revenue demand and the instalment due to Government for the liquidation of past debts. This will, it seems, require the sanction of the Legislature.

8. Turning to the particular provisions about liquidation in Mr. Buck's letter, we beg to state, in reference to paragraph 8, that in our opinion the scheme of liquidation to be carried out in the selected area should be compulsory; for it is of the utmost importance to the success of the bank and for the interests of agriculturists, that it must have exclusive operation in respect to a certain section of agriculturists and be unhampered by the ordinary legal machinery. We are aware that in any *táluka* which may be selected for the experiment, there will necessarily be a class of debtors whom it will be impossible to save owing to the disproportion between their embarrassments and their means of payment. We do not wish that the privilege we ask for the bank should embarrass this class of debtors in any way. What we pray for is, that in the selected area Government should, in the first instance, ascertain the liabilities of all agriculturist debtors, *without exception*, and then liquidate out of its own funds the debts of all those who may be considered to have proper securities. Every agricultural community must consist of three classes—

(1.) That of insolvent debtors,
(2.) That of solvent debtors, and
(3.) That of the unindebted.

With the first class of debtors, whom the Government cannot arrange to afford any relief by liquidating their debts, the bank will necessarily have nothing to do, and will leave them to the operation of the general law of monetary dealings. It is the remaining class of solvent debtors with whom the bank is chiefly concerned, and with reference to them we think the bank must have the exclusive privilege of dealing, and no option ought to be allowed to those debtors in the matter either of seeking Government liquidation or choosing their creditors. Here it may not be out of place to mention that we consider that the bank will not be able to deal with those cases of indebtedness where the debt is more than seven times the assessment on the debtor's holding. With regard to the remaining third class of agriculturists within the selected area who may not be indebted at present, but who may need loans, the bank would require the privilege of having the chance of a first refusal. This could be done by the Legislature refusing to recognise any transactions of debt except with the bank, unless the creditor who seeks the help of Government proves that he entered thereinto after the refusal of the bank. This privilege is sought by the bank as one likely to contribute to the success of this experiment. This privilege will be ineffectual unless the liquidation extends over the entire district, so far as the solvent class of debtors is concerned, and it is in this view that we object to the principle of voluntary liquidation.

It is hinted in paragraph 8, that compulsory liquidation, such as we ask, would be tantamount to "forcing the debtor into a declaration of insolvency or compelling the creditor to accept terms which he dislikes." With submission we beg to observe that, calling upon a debtor to disclose his debts, and offering to liquidate them for his ultimate good, may be forcing him into a declaration of indebtedness but not necessarily of insolvency. We are aware that a certain amount of interference with the people's liberty of action will be caused by the granting of the privilege we ask; but we contend that in so far as we do not prejudice those who may have credit enough to obtain better terms than the bank can afford, we are not asking for an encroachment on individual liberty of action, which is beyond proper bounds. As regards the fear of compelling creditors to accept terms which they do not like, it seems to us that, under the exceptional circumstances of the case, a considerate and just interference with the rights of creditors within proper bounds will not be without precedents. (*See* Bombay Act VI. of 1862, sections 1, 2, 3, 4, and 12, and Notification in Bombay Government Gazette for 1883, pp. 356-357.)

9. In regard to paragraph 9 of Mr. Buck's letter, we think the considerations which we have above adduced and the precedents quoted will show that such liquidations have been far from voluntary, and that in regard to the estates of tálukdárs the determination of claims is made by a single Government revenue officer untrammeled by any ordinary legal machinery. The relief to the tálukdárs has also been granted entirely from the public treasury, and the remedies from first to last have been almost entirely on the compulsory principle, creditors not appearing within certain specified time being altogether barred.

10. In regard to paragraph 10, we think that one independent commissioner would be preferable, but if one such cannot be had, we see no objection to the proposal of the appointment of three persons in the manner therein laid down.

11. In

11. In reference to paragraph 11, clause 5, of Mr. Buck's letter, we think that, as already stated in paragraph 8, the maximum limit of debt where liquidation should be effected, should be seven times the amount of the assessment on the debtor's holding.

12. In reference to paragraph 11, clause 7, of Mr. Buck's letter, we think that all pending proceedings against debtors in the selected area should be suspended, and all debts which are not recognised by the liquidators should be considered as barred. This is what is done in the case of indebted Tálukdárs, and the agriculturists stand in need of that protection more than Tálukdárs, who are holders of large landed properties. The third proposal with respect to saving limitation of time occupied in the investigation by liquidators is unnecessary under the compulsory liquidation which we have here advocated.

13. In reference to paragraphs 12 to 14 of Mr. Buck's letter, we beg to observe that the question of fixing the rate of interest on money advanced by Government to liquidate the agriculturists' debts and the instalments received for repayment is entirely for Government to consider. But it strikes us that it may, in very many cases, require the serious consideration of Government whether the debtors will be in a position to pay such interest or any interest on the amount advanced. We submit also that the repayment will have to be spread over a long period, the minimum being at least 20 years.

14. Having discussed in the preceding paragraphs the subject of liquidation and matters allied thereto, we now propose briefly to state the terms upon which we should hope to be able to project an Agricultural Bank as suggested in paragraph 15 of Mr. Buck's letter, and the conditions under which its working should be carried on. It is admitted in paragraph 7 of Mr. Buck's letter that the mass of customers dealing with the proposed bank are now in a state of abject indebtedness. It will, therefore, be necessary for Government not only to clear the past debts, but be prepared likewise to undertake the further risk on the recovery of sums which it may advance. For, it is our conviction that neither we nor any other bank projectors can possibly undertake the risk of repaying such debts from their capital or make such a bank liable for their eventual recovery. All that a bank can undertake to do is to recover the annual instalments which may be determined upon through its own agency at a certain percentage to be agreed upon.

15. But even with this measure of relief we should not be in a position to make a successful start unless some substantial concessions and privileges are offered to attract capital towards such a venture. For otherwise we are afraid, even after the liquidation, the difficulties of the rayats will not be successfully grappled with. We may respectfully state that most of the concessions which Mr. Buck's letter speaks of, are so many advantages offered to the rayats, while there are hardly any to the capitalists who have to enter on an untried and perilous task under important restrictions against them and in favour of the rayats, and with no positive inducement whatsoever. The rayats, pauperised as they are, have to provide for the payment of three charges, viz. (1), the assessment, (2) the instalments for repaying the liquidated debts, and (3), their own current expenses. When therefore they enter into a fresh liability with the bank, the latter has to calculate not only on the state of its customers but on the vicissitudes of the seasons, the rise and fall of prices, and the periodical changes of assessments near or remote. It is for these reasons that we propose to ask Government to guarantee our debentures for a term of years after providing for ample securities to be given to Government by the bank, and as stated in detail in our letter of the 21st December last; or the debentures may be restricted to two-thirds of the subscribed capital, plus the securities in the possession of this bank. The State would thus not be exposed to any risk; while the advantages to the rayats are too obvious to be detailed, as they will be able always to get advances at and under 12 per cent. per annum, thereby saving 100 per cent. and upwards in the shape of interest alone. In support of this suggestion we would beg to cite the case of the Bengal and N. W. Railway Company, Limited, to which concessions have been made within the last six months, such concessions being the grant of all land required for the railway, and further a grant of 20 per cent., being the interest of 4 per cent. per annum to be paid for five years during the construction of the railway. In return for this it is stated that in the event of the net earnings of that railway exceeding 6 per cent., one-half of such excess is to be paid to Government from the 1st of January 1888.

16. For our own part, we should be quite willing to halve our earnings with Government in excess of a clear interest on our capital of 8 per cent. per annum in return for the privilege of issuing debentures as detailed in our former letter.

17. We agree with the Government (paragraph 17 of Mr. Buck's letter) that the bank ought rather to look closely to the nature of the security offered than to the purpose for which the loan is taken.

18. The restrictions sought to be imposed on the discretion of the bank in paragraphs 18 and 19 seem to us unnecessary, and might sometimes prove harmful; the mode of operation is a matter of detail which must be settled between Government and the bank.

19. We have no objection to bind the bank as proposed in paragraph 20 of Mr. Buck's letter—

(1.) To submit its Articles of Association for the approval of Government.

(2.) To charge not more than a certain maximum rate of interest, which we say should be 12 per cent. per annum.

(3.) And to abide by such rules as may be laid down to ensure protection to the rayat against the neglect or dishonesty of its agents, The form of bonds and the registration of them seem matters which may be left to the bank under certain rules. As regards the keeping of the bank books in a prescribed form, we beg to refer his Excellency to paragraph 8 of our previous letter, dated 21st December 1882.

20. As stated in the preceding paragraph the maximum rate of interest chargeable by the bank will be 12 per cent. per annum (*vide* paragraph 21 of Mr. Buck's letter). But on all payments by the rayats towards a sinking fund in repayment of their liabilities, the bank can only allow 4 per cent., as such funds must be invested either in Government paper or in advances on approved securities for short periods till the maturity of the debentures.

21. In regard to the privileges proposed to be conceded to the bank and agriculturists in paragraph 23 of Mr. Buck's letter, we think that in addition to those already named therein, there are three which are essential to the successful working of the bank. They are (1) that when one bank has been established no other institution of the kind should be permitted to start in this Presidency without the consent of the bank, which is to have the first option of starting; (2) that the bank's claims should have priority over all claims save those on account of the payment of land revenue and the instalment due to Government for liquidation of past debts; (3) that the charges for registration, stamps, and court fees should be entirely remitted. It will be apparent that any concessions in the direction of remitting charges of stamps, court-fees, and registration will go to mitigate the burden on the debtor and in no way benefit the bank.

22. In regard to paragraph 24 of Mr. Buck's letter the cases contemplated must be defined, otherwise the blunders of its servants may compromise the bank without any fault of its directors.

23. In reference to paragraphs 25 and 26 of Mr. Buck's letter, we think it is necessary that there should be special legislation defining the position of the projected bank within the certain specified area. All transactions of the bank with its customers must be on one uniform footing, and its claims recoverable in a uniform manner through the Mámlatdár. Any measure that stops short of this will complicate the bank's position both with its customers and with Government.

24. Our two letters may thus be summed up—

(1.) In the táluka where the bank is to be established the debts of the cultivators should be ascertained by a commission and paid off by Government.

(2.) These payments may be recovered by Government, either directly by its own agency or through the proposed bank, on certain terms.

(3.) That in any case the bank shall not be held responsible for such payments which shall be made by Government on their own account, the bank merely assisting in their recovery.

(4.) The bank advances should have priority over all debts and claims of any kind whatsoever against the said cultivators, save and except those on account of the Government revenue and the Government advances for paying past debts.

(5.) The bank's demands should be collected by the Mámlatdár like Government revenue, whenever he is asked to do so, free of all charges.

(6.) The stamps, registration charges, and court fees should be remitted in all cases.

(7.) The bank's debentures should be guaranteed by Government for a term of years.

(8.) The bank should have the exclusive privilege of opening similar banks elsewhere in the Presidency.

(9.) The bank's accounts shall be audited by Government officers.

(10.) The bank is to abide by all the conditions laid down above in paragraph 19.

25. We think a law will be required to provide for some of the matters enunciated in the preceding paragraphs, but it seems the Government of India are not opposed to any necessary legislation (*vide* paragraph 27 of Mr. Buck's letter).

26. Having worked in concert with Sir W. Wedderburn and devoted a great deal of time to the discussion and elaboration of a sound scheme, we have so far embarked ourselves

selves in this venture from the same motives as have led the Government of India themselves to come forward with a helping hand to construct this new machinery to relieve the distressed parts of the Deccan. But we feel that it would be hopeless to start any bank or to expect capitalists to subscribe towards its formation except under such circumstances and privileges as we have above detailed.

27. We therefore request your moving his Excellency the Governor in Council to submit this representation to the Government of India with his favourable recommendation.

Enclosure 12, in No. 4.

From the Bombay Committee for the Establishment of Agricultural Banks to the Secretary to Government, Revenue Department, dated Bombay, 21st December 1882.

WE have recently been considering a scheme for the establishment of an Agricultural Bank in this Presidency with the view of framing a prospectus to lay before the public, but we find ourselves unable to proceed owing to the limited information we possess in regard to the views of Government on the subject. We therefore venture to address you in the hope that you will favour us by stating (1) what concessions Government are prepared to offer to induce capitalists to subscribe, and (2) what restrictions and regulations Government intend to impose in return for these concessions.

2. We may mention that we have had the benefit of a perusal of Sir William Wedderburn's memorandum, and while we fully concur with him as to the urgent necessity for alleviating the condition of the agricultural classes, it is our deliberate conviction that if it be attempted to establish a bank on the basis set forth in that memorandum, the necessary capital will not be forthcoming, as no inducement of any practical value is offered to capitalists to embark their money in a novel and very risky enterprise.

3. We would specially refer to the proposal that the bank shall refund the amount advanced by Government to settle the old debts of the rayats, and that the risk of the ultimate recovery of the instalments from the rayats shall be borne by the bank. Such a condition, we fear, would deter capitalists from coming forward, and if Government is unwilling to indemnify the bank against loss in respect of these compromised claims it will in our opinion be impossible to establish such an institution. There would, however, be no objection to the bank undertaking the collection of the compromised debts at a scale of remuneration to be arranged, provided the bank be relieved from responsibility. We admit that only very exceptional circumstances would justify Government in undertaking this responsibility, but we contend that these special circumstances exist, as Government are well aware. The amount of risk actually involved in the guarantee may after all be trifling, but we are satisfied that the uncertainty will deter private individuals from embarking capital in a bank which starts with liabilities the amount of which it is not possible to define. If, therefore, Government desire to see a bank established, as we believe they do, it will be necessary for them to give the guarantee above indicated, and we feel we are not over-sanguine in predicting that they will be amply compensated by the direct advantages which they will unquestionably derive from the improved condition of the rayats and by the widespread benefits which will accrue to the whole agricultural population of the districts in which the bank conducts its operations.

4. We would also respectfully suggest that with the view of strengthening the position of the proposed bank, Government should assist at its commencement by guaranteeing its debentures. The risk involved would be merely nominal as the debentures would be amply secured by all the bank's assets, including the paid and unpaid capital and the securities advanced upon. This concession, if granted, would prove of great value, as the bank would thus be enabled to borrow, and consequently to lend money at a much lower rate of interest than it could do without such guarantee.

5. Another concession which we would ask Government to make is, that no other institution of the kind should be permitted to start in this Presidency without the consent of this bank which is to have the option of starting.

6. We propose that advances to cultivators should be restricted in the beginning to immovable property, but for the mutual advantage of the rayats and the bank it will be necessary that the Board of Directors should have the power of advancing on movable property and approved personal security also, such power however not to be exercised without the sanction of the shareholders assembled in general meeting.

7. There are some minor matters of detail which will have to be arranged, but at present we need only refer to the question of the books to be kept by the bank.

8. We do not think it is desirable that Government should insist on any special form of books. In our opinion the books should be similar to those used by ordinary banks, modified to suit special circumstances.

9. We should have no objection to a regular audit by one or more qualified persons appointed by Government, provided it entailed no expense on the bank; the shareholders would doubtless appoint an independent auditor of their own as well.

10. From the remarks recently made by his Excellency the Governor in reply to the Poona deputation, we are greatly encouraged to hope that Government will assist the bank in the manner we have indicated, and that the scheme which has now been for several years under discussion will soon attain practical shape. If, however, they decline to assist, we are afraid that the proposal to establish an Agricultural Bank is likely to fall to the ground.

Enclosure 13, in No 4.

From the Bombay Committee for the Establishment of Agricultural Banks to the Secretary to Government, Revenue Department, dated Bombay, 19th June 1883.

Not printed.

We have the honour to acknowledge the receipt of your letter, No. 4554, dated 15th June 1883.

2. In reply we beg to state that, ordinarily, we should not propose to go to the Mámlatdár, as we are of opinion that the interference of Government officers will do far more harm than good. But the present state of affairs in the Deccan is so exceptional that the bank must have the unrestricted privilege of calling upon the Mámlatdár for making its collections.

3. It must be left entirely to the Bank Directors to decide when and how to indent upon the Mámlatdár for assistance, provided always it is understood that no such assistance will be given unless the application or warrant is signed by the manager or other responsible officer (to be settled upon) and one Bank Director.

4. It may be laid down that (if necessary) this warrant will not be applied for until at least one notice to pay has been issued; but we submit that of the service of such a notice, and of its sufficiency or otherwise, the bank must be the judge and not the Mámlatdár.

5. Under the circumstances above detailed, his Excellency in Council will perceive that the reason why the bank claims to have the Mámlatdár's assistance free of charge is that, as all charges of recovery always fall on the debtor, it is for his interest that he should be exempted from them; otherwise the bank to recoup itself would have to charge a higher rate of interest. The reasons adduced in paragraph 3 of your letter therefore, it is submitted, do not apply.

— No. 5. —

Extract of Proceedings of the Government of India in the Revenue and Agricultural Department for June 1884.

From *E. C. Buck*, Esq., Secretary to the Government of India, to the Secretary to the Government of Bombay, dated 12th June 1884, No. 409, R.

In reply to your letter, No. 2129, of 10th March 1884, inquiring what action had been taken by the Government of India with regard to the scheme for the establishment of an agricultural bank in the Dekkhan, and with reference to your telegram of the 9th April, authorising Sir W. Wedderburn to proceed to Simla, I am directed to forward a copy of a Despatch which has now been sent to the Secretary of State on the subject.

2. It will be observed from paragraph 12 of the Despatch that his Excellency the Governor General in Council considers that no further action in the matter should be taken by the Government of Bombay until the views of the Secretary of State have been ascertained. I am, however, to invite attention to the suggestion as to the postponement of revised assessments in paragraph 10, and to request that it may be considered in anticipation of the Secretary of State's reply. The Government of India, it will be seen, has been careful not to prejudge the question by any expression of opinion, and has confined itself to a statement of the suggesstion and a promise to bring it to the notice of the Government of Bombay.

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3. I am also to forward a copy of a letter received from Mr. Javerilál Yájnik in which it is suggested that a similar bank should be started in Guzerat, and the working of the two institutions in the Poona district and in the richer province of Guzerat tested by a comparison of results. The Government of India would be glad to have the opinion of the Government of Bombay on the proposal; and if his Excellency the Governor in Council is in favour of a contemporaneous experiment in Guzerat, I am to request that the scheme should be formulated in a more precise manner than is indicated in Mr Javerilál's letter. The Governor of India is inclined to think that it ought not to be necessary to give an agricultural bank in Guzerat all the special assistance which is deemed essential in the Dekkhan. The preliminary liquidation, for instance, might be dispensed with, in view of the fact that the population is so much less indebted than in the Dekkhan, and also because, in the absence of the special registration procedure established in districts in which the Dekkhan Ryots Relief Act is in force, greater difficulties would be encountered in Guzerat in making an official investigation into the circumstances of individual debtors. There are other points in the proposals submitted to the Secretary of State for the establishment of a bank in the Dekkhan which may not be applicable to a similar institution started in Guzerat, and these might be considered by the Government of Bombay should it wish to take action on Mr. Javerilál's suggestion. But it will be seen that no definite undertaking can be entered into with respect to that gentleman's scheme until the views of the Secretary of State on the general question have been received.

— No. 6. —

From the Government of Bombay to the Secretary of State for India in Council, No. 18 (Revenue), dated 1st July 1884.

WITH reference to the Despatch of the Government of India to your Lordship's address, No. 7 (Revenue), dated 31st May last, on the subject of establishing an Agricultural Bank in the Deccan, of which a copy has been communicated to us, we have the honour to forward, for your Lordship's information, the accompanying copy of a letter, No. 5162, dated the 26th ultimo, which we have caused to be addressed to that Government on the question of the postponement of revised assessments referred to in the 10th paragraph of the Despatch.

Enclosure 1, in No. 6.

From the Secretary to the Government of Bombay to the Secretary to the Government of India, Revenue and Agricultural Department (Revenue), No. 5162 of 1884, dated Bombay, 26th June 1884.

WITH reference to the question considered in paragraph 2 of your letter, No. 409, R., of 12th June, I am instructed to say that his Excellency the Governor in Council holds, with reference to the postponement of the introduction of revised assessments, in order to give absolute security to the operations of Agricultural Banks, the opinion expressed in the last sentence of paragraph 10 of the Despatch of the Government of India to the Secretary of State, No. 7, of 31st May, viz., that the "recently declared policy of the Government of Bombay in respect to future revisions of assessment has now lessened the importance of the question, as it practically gives that security to landed property throughout the Presidency which the Committee have asked for in respect of the area selected for the operations of the bank." I am further to observe that if the promoters of the bank are not satisfied with this measure of assurance there is a large field open to their selection among tálukás in the Deccan and Southern Marátha Country in which revision operations have been completed. In the Purandhar táluka, which was named by the Committee as suitable, 45 villages are under revised, and 22 under original settlement, and the latter will come under revision in a few years. If the Committee prefers that táluka to one entirely under revision settlement, they have, in addition to the general assurance above mentioned, the revised rates introduced into the greater part of the táluka as a guide to what will be done in the remainder.

See page 46.

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2. I am to add that on other grounds his Excellency the Governor in Council is wholly unable to approve of any proposal to postpone revised assessments out of regard to the interests of the bank. The assessment, whether original or revised, is no more than a fair and moderate rent-charge proportioned to the value of the field, and to abstain from taking any increase which may result from a revision settlement, is the same thing as to remit a portion of the Government land-revenue. In other words, the promoters of the bank wish to be allowed to reckon among the assets of the rayat available for his creditors a part of the profits of his cultivation, which belong not to him but to the State. But the customers of the bank being "the more solvent cultivators" do not stand in need of any such public relief, while if the object in view is simply to enable the bank to assure itself with a little more precision of its clients' means, the greatness of the concession is out of all proportion to the importance of that object. There are many other objections. The measure would be partial, and would give a spurious popularity to the bank. The remission of assessment would be enjoyed by many wealthy occupants who would have no need for dealings with the bank, and would so far be a purely objectless sacrifice of public revenue. Again, revision operations include the adjustment as well as the enhancement of assessment. A common result is the lowering of the rates on the inferior soils. The postponement of revision therefore involves the postponement also of relief to the poorer occupants by reduction of assessment.

3. I am directed to say that a further communication will, as desired in your 3rd paragraph, be addressed to the Government of India on the subject of the suggestions made by Mr. Javerilál Umiáshankar Yájnik.

— No. 7. —

EXTRACT Proceedings of the Government of India in the Revenue and Agricultural Department for September 1884.

From the Secretary to the Government of Bombay to the Secretary to the Government of India, Revenue and Agricultural Department (No. 6499), dated 13th August 1884.

See p. 46.

IN continuation of my letter, No. 5162, of 26th June, and with reference to paragraph 3 of your letter, No. 409, R., of 12th June, I am directed by his Excellency the Governor in Council to communicate the following remarks on the proposals of Mr. Javerilál Umiáshankar Yájnik respecting the establishment of an Agricultural Bank in Gujarát simultaneously with that in the Deccan.

2. I am directed to forward copies of the reports of those officers who were called upon to state their opinion on these proposals. They are, it will be observed, generally unfavourable to the project.

3. Letters to the same purport as Mr. Javerilál's, addressed to Sir W. Wedderburn by the bankers of some of the principal towns in Gujarát, have been communicated to the Government of India by that gentleman with his letters,* quoted in the margin, and the whole of these communications may be dealt with together.

Not received from India.

* Letters to the Secretary to the Government of India, dated respectively the 2nd and 15th May 1884.

4. It is to be inferred from the letters of the bankers that the Gujarát money-lenders would be glad to forego their dealings with the less solvent classes of rayats, and would prefer to transfer the capital utilised at great risk in loans to this class, to deposit in the proposed bank at a reduced but secure interest at 5 or 6 per cent.

5. Mr. Javerilál estimates the solvent class, including those who are solvent only until a bad harvest or other calamity overtakes them, at 35 per cent. of the whole agricultural population of Gujarát. But if, as is admitted on all hands, the Gujarát agriculturists are much more prosperous than those of the Deccan, this calculation is needlessly unfavourable, for it was found by the Committee on the Deccan Riots (Report, p. 58) that even in Poona and Ahmednagar only about one-third of the occupants of Government land are embarrassed with debt. But the estimate of Mr. Javerilál is vitiated by his inclusion in the agicultural classes of those land-less ex-agriculturalists who have receded to the position of agricultural labourers.

6. Mr.

6. Mr. Javerilál states that his first two solvent classes can borrow money from local bankers at 9 or from 9 to 12 per cent. If so, they do not need relief by means of a bank to be supported by special concessions from the State, and it is doubtful if the proposed bank could lend them money at a rate of interest lower than that at which they obtain loans from their own bankers.

7. It is the insolvent classes whom the local bankers are prepared to make over to the Agricultural Bank as customers, and the remarks of Mr. Javerilál on the conduct of business with these classes suggest some of the difficulties which are likely to attend any scheme for a bank of the kind proposed in India.

8. Mr. Javerilál considers that the bulk of the bank's customers will consist of (1) agriculturists who are solvent only in good seasons, (2) those agriculturists who have no security to offer, and (3) day-labourers who have nothing but their wages. Both Mr. Javerilál and the bankers make the strange suggestion that the local money-lenders would, on payment of a commission, undertake the risks attendant on dealings with insolvent borrowers. It can hardly be supposed that they would carry on this insurance business at a loss, and the result would be that their remuneration would ultimately have to be paid by the borrower, who would thus in the end have to defray the high interest which invariably attends bad security. In other words, it is impossible to lend money at low interest to insolvent customers without loss.

9. If the bulk of the customers of the Guzarát bank is to be of this class a liquidation of debt must precede the commencement of the bank's business in Guzarát as well as in the Deccan, and there would be the same necessity for legislation to give to the loans of the bank a preference over other debts and the assistance of Government in recovering its dues. No scheme for relief from debt could however be extended to Mr. Javerilál's class (5).

10. But the truth doubtless is, as the Deccan projectors have already discovered, that the bank will deal only with borrowers who have security to offer. And I am to say that, in the known circumstance of Gujarát, his Excellency in Council concurs with the Government of India in considering that it is not necessary to give to an Agricultural Bank in Gujarát all the special assistance which is deemed essential in the Deccan.

11. No doubt Land Banks and Loan Unions or Associations are desirable everywhere, and should not be discouraged. But there are considerable difficulties connected with the particular form of bank contemplated in this Presidency, and his Excellency in Council is of opinion that there is no pressing occasion for the promotion by Government of an experiment of the kind proposed in Gujarát, and that that under consideration for Purandhar or some other táluka of the Deccan will sufficiently furnish the experience required for judging how far it is necessary for Government to aid by special measures in the establishment of these institutions.

Enclosure 1, in No. 7.

From Survey and Settlement Commissioner to the Secretary to Government, Revenue Department, Bombay, No. 1440, Poona, 9th July 1884.

Sir,

I HAVE read with interest the papers forwarded with your memorandum, No. 5200, dated 28th ultimo, on the subject of a proposal to establish a branch agricultural bank in one of the large towns of Gujarát in connection with the scheme now under the consideration of the Secretary of State for the táluka of Purandhar in the Poona Collectorate.

2. Although I am aware that the principle of Government assistance in the formation and maintenance of land banks is not restricted to any particular part of India or to any particular class of holders, I think it cannot be doubted that in the Bombay Presidency the idea has been fostered by the peculiarly indebted and helpless condition of the peasantry in some of the rural districts. The fact that, besides the various privileges and safeguards proposed to be accorded to an agricultural bank, the plan for Bombay contemplates *in limine* a general liquidation of the debts of the peasantry, shows that an

experiment was intended to be made in a tract where a desperate disease required a desperate remedy. And when the tract chosen for the inauguration of such a bank was the Deccan, wherein, as stated by Sir Evelyn Baring in his speech of the 2nd November 1882 on the Agricultural Loans Bill, "the rayats are so deeply in debt that no scheme of the sort would be successful unless some means were found of clearing off the debts which they have already contracted," it is not difficult to picture the character of the tract which it was intended to choose as the scene of the first experiment.

3. I find it very difficult therefore to understand whither the ideas of the promoters of the scheme are drifting. I have already expressed in my letter, No. 2481, dated 13th December 1882, my objection to the selection of the flourishing tract of Purandhar for the experiment, which, although nominally in the Deccan, is not typical of the Deccan, having a fair climate and a peasantry comparatively as well off and as thriving as the average tenant farmers in more civilized countries. But it is now proposed to extend the scope of the experiment to Gujarát, a country where there is an unusually prosperous agricultural community, and where those who have any property or credit, or the right to expect monetary accommodation, are able to obtain it on reasonable terms. It is very clear that the results of an agricultural loan bank conducted in such a tract could afford no indication of what the result would be if conducted in any tract where real necessity exists. If a physician has discovered a surgical remedy for a painful disease he would not think of experimenting with it on a sound limb, leaving the diseased one untouched, and still less would he think of operating on a particularly healthy body which had never known a pain or ache.

4. It seems to me that before the experiment of an agricultural bank on the lines laid down by the promoters of the present scheme is undertaken, a most searching inquiry should be made as to the banking system which at present exists, and the chances of supplanting, or at least of satisfactorily supplementing the present sources of money loans. However profitable it may be to know that a land bank with Government support has been successful in Prussia and other continental countries, without following up the information, and ascertaining why such an institution was considered necessary, and why the ordinary business of private banking was insufficient, it is dangerous to accept the fact as a general precedent. And the analogy of land banks in the Colonies can still less be depended upon. There bodies of colonists settled down with a little capital which was soon expended, and when they came to look for other outlets there was not an institution of any kind to afford them accommodation. Under such circumstances any banking company offering reasonable terms was morally certain of success. But what a different state of affairs prevails in the Deccan and Gujarát, with a plethora of banks and bankers, and an immemorial system of banking to which the people have become accustomed and attached!

5. It is, I believe, simply due to the knowledge that the ordinary business of banking in Gujarát is already so well supplied with capital and constituents, that it has not hitherto been thought advisable for any company of capitalists to start a land bank on a large scale on their own responsibility. There is no want of commercial spirit and of banking capacity in a province which has produced some of the most enterprising merchant princes of Bombay. To call out the spirit of enterprise or to show the way to success there is no need for a pioneer, and when a chance presents itself of such a scheme succeeding it will doubtless be eagerly seized. In 1864, when wealth poured into the country, a bank was established at Surat called the "Bank of Surat," the capital of which was promptly subscribed, but which was unable to withstand the general shock to credit in 1865-66. And, if I recollect rightly, there was a banking association formed at Nadiád in the same year which met with a like fate. In the meantime, no doubt the capitalists who offer to support the agricultural bank will do so if Government help them by extraordinary concessions to outrival and overthrow the legitimate business which is at present going on between lender and borrower. With a specially whitewashed *clientèle* to start dealings with, concessions in the shape of stamps, fees, &c., and the machinery of the Revenue Department for the ultimate duty of bill collection, who would not be a shareholder in a concern which has no risks and which is given a royal road to success?

6. I have conversed with those interested in the establishment of agricultural banks, and find that my objections are deprecated because the scheme to be now tried is an experiment only, and no harm can be done by letting it have a trial. That a fair trial should be given to the experiment of an agricultural bank is just what I wish to see, but when about 6½ lakhs of the public money is about to be embarked in the general liquidation preceding the experiment which, owing to subsequent seasons of drought and scarcity may be alienated from the use of the public for years to come, when a considerable amount of stamp revenue is about to be sacrificed, and when the popularity of the Bombay revenue system is about to be risked by the employment of the collector in ultimately collecting dues, it is the duty of every Government officer, who thinks that the results of the experiment are likely to be of no real value, notwithstanding the sacrifices made, to state his opinion clearly, so that, if possible, even at the eleventh hour, Government may insist upon a more profitable experiment being made and really valuable results secured. It will tend still further to cloud the probability of success of

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an agricultural bank in the Deccan if the risk is to be covered and the results obscured by the success of a branch bank started in a country where, with the Government concessions asked for, it could scarcely fail to pay.

Enclosure 2, in No. 7.

From the Commissioner, N.D., to Secretary to Government, Revenue Department, Bombay, No. 2709, Poona, 2nd August 1884.

Sir,

In reply to your memorandum, No. 5200, dated the 28th June last, I have the honour to submit the opinions of the collectors of Ahmedabad, Kaira, and Broach on the subject of the proposed scheme for an agricultural bank in Gujarát.

2. My own views are contained in the following paragraphs of my letters to the collectors:—

"2. It appears to me that the necessity for the proposed Gujarát experiment has not been sufficiently proved. Mr. Yájnik's description of the rates of interest at present obtaining there would seem to show that credit is sound, and if there is any distress at this moment in Gujarát it is probably with the poorer Girásias and other landless classes who have exhausted their credit, and who would not therefore be likely to benefit by the establishment of an agricultural bank. Doubtless a certain amount of land is gradually being acquired by capitalists, but this is the case all over the world, and I am unable to recognise it as an unmixed evil.

"3. No allusion is made to the measures already in operation in Gujarát: the Encumbered Estates Acts, and the execution by collectors of decrees against agriculturists.

"4. I, myself, question the propriety of bolstering up the scheme by direct State aid. Whatever the promoters may say about local influence and public support, it is, I think, manifest that as long as assistance in recovering the bank debts is to be rendered by Government, the project will be regarded as a State institution. If the scheme is sound, there is plenty of intelligence (and of capital) in Gujarát by which it might be successfully worked with a minimum of extraneous assistance.

"5. But if Government should consent to the experiment being tried in your district, I think you will agree with me that consent should be given under some such conditions as the following:—

"(*a.*) That the scheme should be kept entirely distinct from the Deccan one, each being allowed to stand or fall on its own merits, and no attempt being made to bolster up the Deccan experiment by drawing on the credit of Gujarát.

"(*b.*) That the proposal for preliminary liquidation is unnecessary in Gujarát; and

"(*c.*) That if it is found in practice that the collection of debts falls on the Government, the failure of the experiment should be admitted, and the scheme abandoned."

3. I have little more to add except that the necessity for Government help has not been demonstrated, and that, in my humble opinion, State interference should be reserved for seasons of adversity when the sávkars' help can only be obtained at ruinous interest. At the same time, I am strongly of opinion that, if through private efforts an institution could be started which, on the occasion of emergencies, would in some measure take the place of the State, every legitimate help consistent with a private enterprise should be afforded.

Enclosure 3, in No. 7.

From the Collector of Ahmedabad to the Commissioner, N.D., No. 2191, Ahmedabad, 28th July 1884.

Sir,

In reply to your No. 2351 of 3rd instant, I have to state that the subject has created a good deal of interest in Ahmedabad.

2. Mr. Yájnik's scheme is put forward with great clearness and literary ability, and, in my opinion, his sketch of the agricultural condition of Gujárat is very accurate.

3. There is, of course, no doubt that an agricultural bank could be established here on more favourable terms than in the Deccan; but I see no reason why it should be connected in any way with the Deccan scheme, nor why it should have a head office in Bombay. If the scheme was ever fairly started, I have no doubt that plenty of money would be

forthcoming from local sources, and the assistance of European capital would be unnecessary. I speak with some diffidence; but I think that, for the purposes of such a bank as this, our local trading classes have sufficient knowledge and experience to work without the help of Bombay bankers. I am informed that, if the conditions were considered favourable, the bank could easily be started, either on money advanced by Government which would be repaid, say, at 6 per cent., giving Government a profit of 2 per cent., or on money subscribed in the province.

4. As to the preliminary liquidation, I agree with you, that the per-centage of the prosperous classes here is so great that the preliminary liquidation is hardly necessary. But this seems to me bound up with your consideration (*c*). The sting of the scheme lies in its tail, and that is the question of the recovery of the bank demands by revenue process, or in some other way by Government officers. It seems to me that the only reason which could induce Government to grant this privilege would be the absolute necessity of doing something to rescue the agricultural classes from the thraldom of debt. If such a step is necessary, then the preliminary liquidation is also necessary. But I can see no reason why Government should assist in the recovery of demands unless the bank has begun its operations by wiping off the existing debts, and thereby conferring a great benefit on the people.

5. It will be noticed that Mr. Yájnik has avoided any mention of this point (*i.e.*, Government assistance for recovery), and the Surat petition merely hints at it in its very last words. But this is, of course, the very first point to settle. Will the moneyed classes of Gujarát start a bank of this kind without some such assurance, and will Government give this assurance? At present I do not think that a bank will start without this assurance.

6. At the same time there is no doubt that the agitation of the question has done much good. Agricultural banks, or some such institutions, are being formed in every European country where there are peasant proprietors, and there is good reason to suppose that in a few years some scheme suitable to the country will be struck out.

7. I would only add that, if any body of capitalists would come forward ready to do without direct Government aid for recovery, it would be most expedient for Government to assist them in any reasonable way in respect of stamps, court fees, &c.

8. As to the two points touched upon in Mr Yájnik's paragraph 13, I know nothing of Bhágdári villages, and can say nothing. His other point I believe to be a bugbear. I do not believe that fear of revenue enhancements prevents sávkárs from lending money, unless they have taken fright from reading some of the recent views published in Bombay and Poona.

Enclosure 4, in No. 7.

From Collector of Kaira to Commissioner, N. D., No. 2505, Kaira, 19th July 1884.

Sir,

WITH reference to your No. 2351, dated 3rd instant, calling for opinion on Mr. Yájnik's scheme for establishing agricultural banks in Gujarát, I have the honour to state that the same meets with my unqualified dissent, for I do not see where the necessity for such a bank in Gujarát exists. This province is, admittedly, one of the finest in India, and the agriculturists are, as a body, very well-to-do. They do not suffer that general oppression from foreign money-lenders, such as the rayats of the Deccan are supposed to do from Márwáris and Gujars, and therefore the very special protective measures which, during the last few years, have been introduced, and are still being introduced into the Deccan would, in my opinion, be quite out of place here. As it is, various specially improvident classes in Gujarát, such as Girásiás, &c., are being fostered and protected by the Tálukdári Settlement Officer, whilst the general body of cultivators are having their interests very successfully looked after by the execution of civil court decrees by the collectors. I do not see what more can be legitimately wanted; and I think that an agricultural bank in Gujarát, supported and guaranteed by Government, would only be an uncalled-for interference with the free trade of the ordinary village money-lenders, who are, in their way, as much entitled to free trade as any other classes of the community. If Mr. Yájnik and his followers want to start an agricultural bank, and if they think it would be successful, why do they not do so of their own accord, instead of trying to make a catspaw of Government and Government officials? The flourishing cotton mills to which Mr. Yájnik alludes did not require to be bolstered up by Government, and, therefore, why should this bank?

2. I cannot help thinking, too, that this so-called agricultural bank would only be a cloak to enable the moneyed classes to invest their cash at 5 or 6 per cent. safely under a guarantee from Government, for in paragraph 12 Mr. Yájnik writes about the money-

lender

lender becoming a depositor at the above rates of interest, but nothing is said about his becoming a shareholder. Deposits in such a bank would become more popular than Government paper, and were such banks to become general, Government on raising loans in the future would have to raise their rates of interest in proportion.

3. Where also would the profits, which would give 5 or 6 per cent. to depositors, besides paying interest on capital and cost of working, come from? If they are to be screwed by Government mediation out of the borrowing cultivators, I am afraid they will soon wish themselves back in the hands of their former creditors, whilst Government will only get the unenviable reputation now enjoyed by the Márwári.

4. The memorials alluded to in the correspondence forwarded to me are said to be signed by leading bankers and capitalists in various places in Gujerát. I should like to know whether these gentlemen have any direct or indirect money-dealings with the ordinary rayats. May it not be that they themselves have a shrewd eye to safe investments as depositors? When I come to know that uninspired memorials are being sent in by cultivators themselves, and by village money-lenders, for the establishment of agricultural banks, I shall have more faith in Mr. Yájnik's theories than I have now.

5. Of course if Mr. Yájnik's bank is ever established in Gujarát, it should, in my opinion, be quite distinct from the Deccan institution, which would only be a millstone round its neck.

Enclosure 5, in No. 7.

From Collector of Broach to Commissioner, N. D., No. 3053, Broach Collector's Office, 21st July 1884.

Sir,

I HAVE the honour to submit the report called for in your letter, No. 2351, dated 3rd instant, on the subject of establishing an agricultural bank in Gujarát, and to return the papers sent to you with Government memorandum, No. 5206, dated 28th ultimo, which were received by me on the 19th instant from the Collector of Kaira.

2. I venture to start my report with the statement that I am opposed to the scheme of agricultural banks, whether in the Deccan or anywhere else. I think they are wroug in theory, and will be mischievous in practice. They are the outcome of an unpractical mind, and would-be benevolent interference with the plainest principles of political economy can have but one result. Such banks may for a time help the impecunious rayat, but it will be at a loss to the State, and one obvious result of the scheme will be to transfer the odium attaching to the sávkár to the shoulders of Government.

3. As regards the establishment of such a bank in Gujarát, it seems to me that Mr. Javerilál's letter gives the plainest proofs that it is unnecessary and uncalled for. The first object of such a bank is to help the impoverished, and raise the status of the rayat who is overwhelmed with debt. Such classes are, no doubt, to be found in large numbers in the Deccan; but in the parts of Gujarát with which I am best acquainted, this is happily not so much the case. I do not say there are no such persons; but they are not, comparatively speaking, numerous, while the great bulk of cultivators in Ahmedabad and Broach are certainly comfortable and well-to-do. I agree with most of what Mr. Javerilál urges in his fourth paragraph; but I consider that the Gujarát rayat is distinctly superior to the Deccan rayat, both as regards capacity to work and ability to endure fatigue. He may not be so thrifty, but he has not the same need for this quality, and the very facts of the superiority of Gujarát in "its geographical and climatic features" give the rayat there an incalculable advantage over his Deccan fellow.

4. In his fifth paragraph Mr. Javerilál shows very clearly the only class of persons with whom an agricultural bank could do business profitably, and his object seems to be to prove that such a bank could successfully compete with native money-lenders. I have my doubts whether it could with these classes even; but it would in any case be a most unwise interference with private enterprise to suffer such a thing to take place. The question of sentiment must be eliminated from consideration altogether, and Mr. Javerilál's letter seems to prove that the business done with his first three classes might bring in such a profit as to cover the losses which would inevitably ensue from dealing with his last three. I do not know on what Mr. Javerilál bases his assertion that 35 per cent. of the rayats of Gujarát come under his first three classes and 65 per cent. under his last three, and I cannot say that I follow his argument, that because Gujarát is better off than the Deccan, it should have an agricultural bank, unless it is that the profits derived from the one are to cover the losses accruing from the other; while his comparison between the cotton mills and the agricultural banks seems to me an unhappy one, inasmuch as all the cotton mills are the result of private enterprise. Not one single one, so far as I know,

know, has ever been supported or started by Government, whereas one of the first principles of the agricultural bank is that it is to be bolstered up by Government. There can be no manner of doubt that if private capitalists see their way to making a profit from a bank started on the lines proposed by Sir W. Wedderburn, they will start one and carry it on without the adventitious aid of Government.

5. Mr. Javerilál shows, I have no doubt truly enough, in his tenth paragraph what is one of the main obstacles to the success of an agricultural bank, viz., that creditors and debtors alike would mutually combine to defraud the bank, and a further risk which seems to me likely to accrue is that when the indebted rayat has thus got a clear sheet, the sávkár will persuade him it was through his influence this happy end has been attained, and a fresh account will forthwith be opened between them to be liquidated in the same way in the future.

6. It is possible that a money-lender would deposit money with a Government agricultural bank if 6 per cent. interest were guaranteed to him, but the question naturally suggests itself, where is the 6 per cent. interest to come from if the bank can only compete with the sávkár himself for risky and unprofitable business with classes 4, 5, and 6? The sávkár would not have much difficulty in keeping his profitable customers, classes 1, 2, and 3 to himself, and he would have much pleasure in handing over his unprofitable ones to the bank if at the same time that institution backed by Government guaranteed him 6 per cent. on the money which he might have lent to those customers at 12 per cent. The subject has been freely discussed in the newspapers, at public meetings, and so forth, and the probable success of agricultural banks does not seem to tempt private capitalists to put their own money into them. They know the risks too well, and it costs "the leading bankers" and folks of that kind very little indeed to talk of the benefit which will accrue to the rayat and the profit which will come to Government if only Government find the capital for the undertaking. It is a very cheap kind of philanthropy.

7. If the former of the two hindrances mentioned in Mr. Javerilál's 13th paragraph were removed, the money-lenders would rejoice greatly. It would give them a fresh set of customers, whom they would take excellent care to keep out of the agricultural banks till they had sucked them dry; in other words, when private capitalists had acquired the land of the rayat as they are trying to do all over the Presidency, they would then tell them to go to the agricultural bank, which would wipe them clear from the mess they were in, or they would offer them situations as labourers on farms which were formerly their own. Hindrance No. 2 in the same paragraph points to the existence of another obstacle to the capitalist acquiring the land.

8. I can scarcely attempt to offer any remedy for the relief of the poorer classes from chronic indebtedness, because it seems to me that only one remedy is possible, and that the Hindu will never adopt. Our Government is trying impossibilities. It does every thing it can to encourage the spread of population, and in this the natives of India entirely and successfully second them. We have put a stop to wars, and, as far as we can, to tribulations in the way of famine and pestilence throughout the country; the natives of India exercise no prudence whatever in the matter of procreation, and it must follow, as an inevitable consequence, that land which is enough for two is not enough for ten. Till the Hindu learns that his first mission in life is not to beget children as fast as he can, and to set those children off on the same mission the very day they are able to commence it, there will of necessity be poverty and indebtedness, and he must sink lower and lower.

9. In conclusion, I need scarcely say that I trust no attempt whatever will be made to start a Government agricultural bank in this district; but if such an attempt should be made, I agree with you that it should only be on the conditions mentioned in your concluding paragraph.

— No. 8. —

From the Secretary of State for India in Council to his Excellency the Most Honourable the Governor General of India in Council; No. 95 (Revenue), dated 23rd October 1884.

Para. 1. I HAVE considered, with the attention which their importance demands, the papers which accompanied the letter of your Excellency's Government in the Revenue Department, No. 7, dated 31st May last, regarding the establishment, as an experimental measure, of an agricultural bank in the Poona district.

2. The relief of the peasantry of the Dekkan, and indeed of other parts of India, from their indebtedness, is so desirable and so important an object that I should be disposed to entertain favourably any measures for that purpose placed before me by your Excellency. I have, therefore, given the most careful examination to the principles of the project now submitted to me, and to its details, so far as they can be gathered from the correspondence. Some objections to the proposed measures have, however, suggested themselves to me, and they appear to me to have such force that I am constrained to request your reconsideration of the question.

3. The first observation which occurs to me is that the scheme is scarcely what it purports to be. It is professedly a private enterprise, and it is distinctly stated that from private enterprise alone is real progress to be looked for in providing the agricultural classes with capital upon reasonable terms. Yet it is impossible to avoid the conclusion that the proposed bank will virtually be a Government institution. Government will provide, in the first instance at least, a large part of the capital (for it is apparent that much of the working capital will be obtained from the sum advanced by Government for the liquidation of the existing debts of the ryots); Government will, at any rate in the last resort, undertake the collection of debts due to the bank; and the bank is to receive special privileges, and be placed by law in a position which, in my opinion, could be justified only on the assumption that it is to work on behalf of Government for political or social objects rather than to be conducted on ordinary business principles.

4. The scheme, as laid before me, consists of two parts, the liquidation of the existing debts of the ryots, and the substitution of the banks for the saukars in future loan transactions of the agricultural classes.

5. As regards the first, I find it difficult, owing to the deficiency of detailed estimates, to judge of the financial soundness of the scheme. I observe, however, that it is conjectured that about half the ryots of Purandhar are in debt yet not so completely insolvent as to make any attempt to relieve them hopeless; and that the debts of this moiety might be liquidated for about 6½ lacs of rupees. I find, too, that the total revenue of the fully-assessed lands of Purandhar is about 86,000 rupees; but, inasmuch as the solvent ryots are those with the larger and more valuable holdings, it may be assumed that the assessment on the lands of that portion of the landholders with whom the scheme proposes to deal will reach 50,000 rupees. The total value of the net produce of these lands would, on the "half assets" principle, be about one lac of rupees; in other words, it would not be safe to assume that on a series of years these ryots could pay in liquidation of debt more than an annual sum equal to their assessment. But it must be borne in mind that the interest on the liquidation advances, independently of the sinking fund at 3 per cent., would amount, at 9 per cent. on 6½ lacs, to 58,500 rupees per annum, a sum which, from the figures given above, the ryot could not possibly pay. Even supposing that the interest were fixed at only 5 per cent., instead of 9 per cent., so as to admit of the loan of 6½ lacs being paid off in about 21 years, no margin would be left for the ryots on which to borrow from the bank during that period. And if they can do altogether without borrowing for 20 years, there is obviously no reason for the existence of the bank. It would indeed be simpler, and not more anomalous or hazardous, that Government should advance direct to the ryots the funds needed to relieve them of their present embarrassments.

 6. The

6. The scheme further proposes that Government shall lend the bank the sum necessary for the liquidation at 4 per cent., the bank charging the ryot 9 per cent. As it is, in effect, contemplated that Government shall both provide and recover these advances, it is not clear why the bank should have a profit of 5 per cent. on the transaction, and why the ryot should not have the benefit of the lower rate of interest.

7. But there appears to be a still graver objection to the proposed operations. The paid-up capital of the bank is to be, it would seem, two lacs of rupees, of which one lac is to be invested in Government securities as a reserve fund, and one lac only to be employed in the business of the bank. But within two years the bank is to repay, with 4 per cent. interest, the loan of 6½ lacs advanced to it by Government for purposes of liquidation, while the ryots will refund that advance only by instalments spread over a long series of years. There is nothing to show the source from which the bank is to obtain the necessary 6½ lacs. It is apparently intended that it should be by means of debentures, that is to say, by borrowed capital. I do not find it explained what security can be offered to debenture-holders, and it is difficult to understand how the bank could be regarded as solvent even at the outset.

8. Assuming, however, that these very grave preliminary difficulties can be overcome, that the existing debts of the agriculturists have been entirely cleared off, and that they are in a position to deal freely with the bank, I am not satisfied that the business which it could transact would be of such a kind as to meet all the ordinary requirements of the ryots. In the first place, I am informed that the existing saukars are not merely money-lenders, but that they purchase produce, and supply the ryots with a market. I do not understand whether the bank is to undertake this function ; and whether it is to become the great dealer in produce for the tract over which its operations are to extend. If so, the business of the bank will apparently be of a much more speculative and hazardous character than is contemplated by the Government of your Excellency or by the Bombay Government. If not, it is not obvious where the ryots will find their market. Again, it appears to be anticipated by the promoters that the bank will make advances in comparatively large sums at a time, and for special objects, such as agricultural improvements or domestic ceremonies, which are not of constant recurrence. But loans of this character, I learn from good authority, do not form the mass of the transactions of the Dekkan ryot with his village banker. He wants, and at present has, a running account, on which he draws from time to time for small sums of money, or for the petty articles of his simple needs, and at harvest-time he clears, or tries to clear, by the produce of his fields, the debts thus incurred. It does not seem to me possible that the bank should undertake this petty but necessary kind of business, and, if it does not, the peasant will, in all probability, still deal with the village saukar, but with this consequence, that, as the bank's claims will take precedence of other claims, the saukar will have to protect himself by still higher interest and more oppressive dealings.

9. I observe that the example of land banks in France, the colonies, and other countries has been cited to prove the advantage and the practicability of the proposed scheme. I must, however, remark that the success of banks dealing with farmers and planters, who cultivate for a profit upon invested capital, affords no sure indication of the probable results of a similar institution dealing with ryots cultivating for subsistence, while there is great doubt whether the Crédit Foncier of Egypt, which is said to be in many respects an establishment analogous to that which is proposed for the Dekkan, has proved, on the whole, beneficial to the fellahs of Egypt. But I will cause inquiry to be made, through the Foreign and Colonial Offices, as to the working of this and kindred institutions elsewhere, and will communicate to you the results at a future date.

10. As regards the condition that debts to the bank shall be recovered by the agency of the revenue courts, I attach great weight to the criticisms of the Bombay Settlement Commissioner, to the effect that, should this be done, Government will incur all the unpopularity and odium of collecting debts which

which, though private obligations, are treated as public demands. It would be out of the question that the revenue officers should undertake this function without satisfying themselves of the justice of the bank's demand, and that they should put in force the summary process of the revenue law upon an *ex-parte* statement; and if they are to inquire, however summarily, into the justice of the bank's demands, they will in reality assume the functions of a civil court. Nor are my objections removed by the proposals contained in the Bombay letter of 26th July 1883, which purport to provide that the assistance of the revenue court will be given to the bank only in the last resort. It is evident that the bank will practically have no other agency for the realisation of its demands. *See* page 39.

11. It is doubtless a serious misfortune that the landholders in India, even when comparatively prosperous, and able to give good security, are usually unable to obtain the temporary accommodation they require, except at a ruinous rate of interest. I fully recognise that it would be the greatest possible benefit to the agricultural community if the place of the present race of needy and extortionate money-lenders were supplied by banks, or other institutions, possessing sufficient capital, and honestly managed. But I need scarcely remind your Excellency that no amount of support or encouragement from Government can render banking operations successful, whether in India or elsewhere, if they are begun on an unsound basis, and are not conducted on true commercial principles.

12. It appears to me doubtful whether any ingenuity can provide an effectual substitute for the operation of the ordinary laws of trading between the ryots and those, whether saukars or banks, from whom they obtain advances; and whether, without the stimulus of risk of loss as a result of neglect and want of proper precaution on its part, any bank could carry on its business with success. There is a strong presumption that Government cannot directly do much more for the relief of the agricultural debtor than take care that in disputes between him and his creditors the law shall provide, and the courts shall administer, speedy, cheap, and equal justice, and that the ryot shall be as little liable as is possible, from his ignorance, his poverty, or his position, to be defrauded or oppressed.

13. In the four districts in which it is in force, the Dekkan Agriculturists' Relief Act has, I am glad to believe, done something in this direction, and it deserves the careful consideration of your Excellency whether its provisions, or any of them, may be made more widely applicable. But, notwithstanding the immense improvement which has of late years been effected in the efficiency and integrity of the administration of civil justice generally, much remains to be done towards making it cheap and speedy. Everything which adds to the expense, delay, and difficulty of recovering just debts increases the price at which the money-lender gives his help to the landowner.

14. It is possible that the adoption of an improved system of registration of titles to land might tend to give such further security and greater facility to the business of agricultural banking as would render it practicable for private capitalists to embark therein with a fair prospect of success, on terms which should not be so onerous to the cultivating classes as those to which the latter are now compelled to submit when borrowing from the village saukars. It is, I am informed, in reliance on an effectual registry of titles that the land banks of Europe and the British colonies have been carried on, and although I am conscious of the very different conditions under which an Indian agricultural community exists, yet I recommend this suggestion to the consideration of your Excellency's Government, as possibly affording some opening in the desired direction.

15. With regard to the indirect assistance which Government might give to agricultural banking enterprise, I desire to make one suggestion with reference to the question of the ryots' market, alluded to in paragraph 8 above. I understand that in the Central Provinces, and other parts of India, great benefit has followed the establishment of public marts or corn exchanges, where the cultivators can sell their produce for the best price in open market, and thus

avoid the necessity of handing it over to a money-lender on account. That sale in open market should be the general practice is, I think, essential to the success of an agricultural bank, and the general establishment of public marts seems to me an object which your Excellency's Government should encourage, and one on which local bodies may with great advantage expend their funds.

16. While I have been compelled to state my conviction that the proposals contained in your letter of the 31st May are not capable of practical application, I hope that your Excellency will understand that I am prepared to give the most careful attention to any scheme for the promotion of the objects you have in view, which your Government may suggest after consideration of the objections stated in the present Despatch.

— No. 9. —

From the Under Secretary of State for India to the Under Secretary of State for Foreign Affairs, dated 23rd October 1884.

THE Secretary of State for India in Council having had under consideration a proposal for establishing an agricultural bank in India, for the purpose of making advances to agriculturists, which, if possible, may take the place of the local money-lenders, is desirous of procuring information as to the system of working, and the amount of success obtained by the Crédit Foncier of Egypt, which is understood to be in many respects an establishment analogous to that which it is proposed to found in India.

I have accordingly to request that you will move Earl Granville to cause inquiry to be made on the subject, and communicate the result to this Office.

Note.—A similar letter was also sent to the Colonial Office.

— No. 10. —

From the Under Secretary of State for Foreign Affairs to the Under Secretary of State for India, dated 11th December 1884.

Sir E. Baring. 1060, 21 Nov. 1884.

WITH reference to your letter of the 23rd of October, I am directed by Her Majesty's Secretary of State for Foreign Affairs to transmit to you, to be laid before the Earl of Kimberley, the accompanying Despatch from Her Majesty's Agent and Consul General in Egypt, giving an account of the Crédit Foncier in Egypt.

Enclosure 1, in No. 10.

From Her Majesty's Agent and Consul General in Egypt to the Secretary of State for Foreign Affairs, dated Cairo, 21st November 1884.

(No. 1060.)

I HAVE the honour to acknowledge the receipt of your Lordship's Despatch, No. 443, of the 31st ultimo. I enclose a memorandum prepared by Mr. Elliot, which gives all the main facts in connection with the working of the Crédit Foncier in Egypt. The most noteworthy feature of the present system is that, mainly by reason of the very heavy expenses and the delay incurred in the recovery of advances through the law courts, the Crédit Foncier has ceased to advance to small cultivators.

Nubar Pacha has from time to time spoken to me on the question of establishing a Crédit Agricole in Egypt. The subject is one of very considerable difficulty, and I regret to say that my time has been so fully occupied by other matters of more immediate importance, that I have not been able to study it with that thoroughness which would justify me in expressing a decided opinion on the expediency of establishing an institution of this nature in Egypt.

MEMORANDUM on the working of the Crédit Foncier of Egypt.

1. The Crédit Foncier of Egypt was founded in 1880. It lends money on mortgages to owners of real property, and issues debentures to an amount not exceeding the total sum lent on mortgages. It is also empowered by its statutes to grant loans to various public bodies, with or without mortgage security, to acquire debts secured on mortgages, to open credits on accounts current, and to receive deposits. It is not, therefore, exclusively concerned with agricultural property. **Its objects.**

2. The capital of the Crédit Foncier is 3,200,000 *l.** in 160,000 shares of 20 *l.* each, of which 5 *l.* are paid up. The profits are divided in the following proportions :— **Capital.**

* Originally 1,600,000 *l.* in 80,000 shares; doubled in 1882.

(1.) The amount necessary to provide interest at 6 per cent. on the paid up capital. **Distribution of profits.**

(2.) Of the remainder 10 per cent. to the reserve fund.

(3.) 5 per cent. to the board of directors.

(4.) 15 per cent. to the "founders shares."

(5.) The remaining 70 per cent. to the shareholders as extra dividend.

This has raised the interest on the shares in 1882 and 1883 to a fraction over 7 per cent.

The working expenses amounted to an average of 15,800 *l.* for 1882 and 1883. This sum, which does not include 3,310 *l.* and 7,380 *l.* paid respectively in those years in taxes to the French Government on securities negociable on the Paris Bourse, is equivalent to 25½ *d.* per cent. on the net profit remaining for distribution as above. **Working expenses.**

Debentures bearing interest at 5 per cent. have been issued. The nominal amount in circulation in 1882 was about 1,660,000 *l.*, but the sum actually received amounted only to 81¼ per cent. of that sum. In 1883 the debentures in circulation amounted to nominally 2,541,000 *l.*, of which only 80 per cent. had been received. It has, therefore, been found necessary to provide by means of a sinking fund for the redemption of the large and unexpected difference between the nominal and the market value of the debentures. **Debentures.**

The loans on securities and deposits on accounts current have not received any considerable extension. **Other business.**

3. The Crédit Foncier makes two kinds of advances on mortgage: **Mortgage loans.**

(1). Loans for a long term, repayable by annuities in not less than ten nor more than 50 years;

(2). Loans for a short term, with or without sinking fund.

It lends only upon first mortgage, and only up to 60 per cent. of the value of the property, as estimated by its own valuers.

The rate of interest charged is 6 *s.* 8 *d.*, besides 2 per cent. per annum for commission and expenses.

Number and amount of loans.

4. The following table shows the number and amounts of the loans advanced annually by the Crédit Foncier from its foundation to the year 1883:—

——	No.	1880. Amount £. E.*	No.	1881. Amount £. E.*	No.	1882. Amount £. E.*	No.	1883. Amount £. E.*
Under £. E. 300 - - -	93	14,537	278	48,079	212	37,214	21	3,680
£. E. 300—2,000 - - -	86	64,571	253	182,518	174	128,115	113	81,528
Over £. E. 2,000 - -	30	352,712	70	494,378	36	241,960	50	485,874
	209	431,820	601	724,975	422	407,289	184	571,082

* £. 1 = £. E. 0·975.

Proportion of small loans.

It will be seen that the loan of sums under £. E. 300, which during the first three years were 47½ per cent. in number, and only 6⅓ per cent. in amount of the whole, in 1883 diminished almost to nothing. They have now ceased altogether. It is obvious, therefore, that the fellah proprietors have never been among the most important customers of this institution, and they have now no dealings with it whatever.

Reasons for cessation of small loans.

5. The reason for this is to be sought (1) in the attitude of the Crédit Foncier towards the fellahs; (2), in the attitude of the fellahs towards the Crédit Foncier.

(1). The Crédit Foncier is not a hard creditor. It usually waits until three quarterly payments of interest are in arrear before serving the debtor with any notice. It will also accept an instalment of the interest due, allowing the remainder to stand over without charging further interest upon it. But it has in some cases found it necessary to foreclose these mortgages, and the expenses attendant upon the necessary legal procedure have been found to be such that the 40 per cent. margin between the amount of the loan and the nominal value of the land has proved insufficient to cover them. The legal expenses in the recovery of small debts have been found to range between* 60 per cent. and 200 per cent. of the amount of the loan. It must be borne in mind that the Crédit Foncier enjoys no special privileges or facilities for the recovery of the principal of its loans, nor for the collection of the interest. Under these circumstances it has been compelled to discontinue altogether the issue of loans of sums under £. E. 300.

Legal expenses.

* These figures are the result of the experience of the administrators of the domains. There is no reason to suppose that the experience of the Crédit Foncier is more favourable.

Difficulties in the way of fellahs dealing with C. F.

(2). On the other hand the fellah has not had the advantages of borrowing at low interest from the Crédit Foncier presented to him in the most attractive form. Owing to the want of agencies in the country districts he probably, before concluding his loan, has to go to the expense of a journey to Cairo, where he has many formalities to go through, and where he finds temptations and opportunities to spend a portion of the money which was destined for the improvement of his fields. Moreover, he is exposed to all the influence of the local money lender, from which he can obtain his loan with less trouble, if upon more onerous conditions. The Crédit Foncier has made no attempt to conciliate the local money lenders. It would not, for instance, advance money upon a mortgage secured upon the hand of a third party. It is, therefore, exposed to all the hostility of the vested interest.

Hostility of local usurers to C. F.

Proposed Crédit Agricole.

6. To remedy this state of affairs a scheme has been propounded, and is now before the Council of Ministers, for affiliating to the Crédit Foncier a "Crédit Agricole," which should enjoy special privileges, and a special legistation, enabling it to recover sums due to it speedily and economically. The Crédit Agricole would lend on the security of crops, cattle, agricultural implements, &c. It would establish numerous agencies throughout the country.

A memorandum explanatory of the proposed scheme is appended.

Necessity of certain privileges to success of C. F.

7. The experience of the Crédit Foncier proves that certain privileges, especially in the direction of despatch and economy in the legal processes for recovering its debts, are necessary for the success of an institution of this nature. The concession of such privileges must, of course, be made conditional on the exercise of a considerable amount of Government supervision over the working of the institution. But it appears to be a matter for grave consideration whether special privileges could properly be extended to, or Government control satisfactorily exercised over, a purely commercial enterprise, and one which extends its business transactions far beyond the limits to which the Government interest in it is confined, and whose financial position is not unassailable.

Can they be granted?

8. Annexed

8. Annexed are the Reports for 1882 and 1883 presented to the general meetings of shareholders of the Crédit Foncier.

Reports of C. F. for 1882-1883 annexed.

Enclosure 2, in No. 10.

Crédit Agricole.

Un établissement de Crédit Agricole, pourrait rendre d'immenses services a l'Egypte, mais à la condition qu'il jouira d'un privilege particulier d'une legislation spéciale absolument indispensable pour la nature de ses opérations.

Il faudrait qu'il fut sondé au Crédit Foncier Egyptien avec lequel il serait en connexité d'intérêts et dont il pourrait utiliser en partie le personnel ce qui atténuerait les frais d'administration et lui donnerait une expérience acquise.

Ces deux établissement joints, avec une unité de direction pourraient remplir le but que l'on se propose.

Il est reconnu que ce qui paralyse les progrés de l'agriculture dans tous les pays, c'est le manque d'argent ou plutôt cest l'insuffisance du crédit dont elle joint pour se procurer les capitaux indespensables á ses besoins les plus urgents.

Des Crédits Agricoles existent en Russie, en Allemagne, en Irlande, en Angleterre, en Ecosse, dans ses derniers pays, ils se subdivisent en diverses banques (private banks, joint stock banks, National Provincial Bank of England) à Norfolk, Lincoln, Ipswich, Gloucester, Leicester, York, il y a des banques agricoles; en Angleterre, il n'existé pas d'Etablissements publics de Crédit semblables á ceux qui fonctionnent en Allemagne et en France, sous le nom de Crédit Foncier. L'Agriculture s'adresse á un certain nombre d'établissements particuliers.

On ne peut fonder un établissement de Crédit Agricole en Egypte, qu'avec le concours de capitaux étrangers, il faut donc réunir un groupe financier suffissamment fort et connu (comme celui du Crédit Foncier Egyptien) pour jeter les bases d'une opération semblable, en outre comme il faudrait une législation spéciale, une procédure rapide, qui mette aux moins de la société une arme pour rentrer vite et à peu de frais dans des capitaux aventurés, il serait essentiel que le groupe financier consentil à ce que la société anonyme à fonder se déclarat de Nationalité Egyptienne afin qu'elle pût s'appliquer la legislation spéciale á établir, et échapper ainsi aux Codes mixtes égyptiens dont les prescriptions se trouveraient changées par la nouvelle legislation les emprunteurs européens, auxquels rien ne l'interdit, en seraient quittes s'ils empruntaient au Crédit Agricole, pour déclarer quils se soumettent à la nouvelle legislation.

Le Crédit Agricole Francais objet d'études très importantes et trés remarquables, avait été admirablement compris et installé; et pouvait rendre les plus grands services, si son but avait été suivi et s'il s'était consacré seulement à sa mission.

Ce serait un modèle à suivre pour les statuts et pour l'installation.

Pour un Crédit Agricole, se but est de procurer des capitaux ou des crédits à l'agriculture et aux industries qui s'y rattachent, en faisant ou en facilitant par sa guarantie, l'escompte ou les négociations d'effets exigibles dans des délais bien combinés et relativement courts, d'ouvrir des crédits, de prêter à plus longue échéance sans dépasser trois années sur nantissement ou contre garantie spéciale, cautions, &c., &c.

En France le rôle du Crédit Agricole était celui d'un endosseur et pendant 10 ans, il a favorise l'escompte de plusieurs milliards, ou a prété plusieurs certaines des millions sur des farines, des vins, &c., &c.

En Egypte, il ne faut prétér quà l'agriculture et non aux industries qui s'y rattachent phrase trop élastique et pouvant corrompre le but voulu.

Il faut un privilège et une legislation spéciale pour les billets, effets, gages, nantissement, caution, poursuites en remboursement ali et concernant touté opération avec le Crédit Agricole.

Il faut armer le Credit Agricole très vigourensement contre ses débiteurs, et sans crainte d'abus de sa part.

Une Sociéte est un être anonyme qui ne poursuit pas sans une excessive réserve, et sans utilité. C'est une direction sans parti pres, c'est un conseil d'administration qui délibére. Autant on établit le crédit d'un établissement semblable, avec sévérité autant on lui donne le poids et l'autorité pour qu'il marche avec sûreté, et inspire la confiance aux préteurs qui lui confieront des fonds.

La législation nouvelle aurait besoin d'être étudiée pondérée et établie par des personnes spécialement autorisées par leur connaissance en la matière, et faite en conformité des éléments si étérogénes si disparates qui composent l'Egypte.

Un Crédit Agricole se contenterait d'une commission à établir. Suant aux banx d'intérêts, il ne dépend pas d'un etablissement de crédit de l'établir a priori, cela dépend de l'émission à faire, or le capital est un et ne peut s'adresser à l'agriculture, à des conditions plus favorables qu'au commerce. S'il trouve un gage sûr, it se contente d'un intérêt plus faible, s'il court des risques il veut les couvrir, et sous ce rapport, il faut reconnaître que l'agriculture n'a pas encore appris le respect commercial des échéances, et cela est si vrai que même encore en France, la Banque de France n'accepté qui avec répugnance du papier agricole.

— No. 11. —

EXTRACT Proceedings of the Government of India in the Revenue and Agricultural Department for December 1884.

From the Officiating Secretary to the Government of India (Revenue and Agricultural Department, Revenue) to the Secretary to the Government of Bombay, No. 851 R., dated 15th December 1884.

See page 48.

WITH reference to the correspondence ending with Mr. Nugent's letter, No. 6499, dated the 13th August 1884, I am directed to forward, for the consideration of the Government of Bombay, a copy of a Despatch from the Secretary of State, No. 95 (Revenue), dated the 23rd October 1884, regarding the establishment of an agricultural bank in the Poona District, and to request that the Government of India may be favoured with any observations which his Excellency the Governor in Council may, after consultation with Sir William Wedderburn, desire to make with regard to the Secretary of State's critisisms of the scheme. Special attention is invited to paragraphs 13 and 14 of the Despatch, in which it is suggested that the processes of the ordinary civil courts might be cheapened by the more general application of the procedure of the Dekkhan Agriculturist's Relief Act, and that the adoption of an improved system of registration of titles of land might facilitate the business of agricultural banking. His Excellency the Governor General in Council would be glad to receive a copy of any communication which Sir William Wedderburn may make on the subject.

— No. 12. —

From the Secretary of State for the Colonies to the Under Secretary of State for India, dated 20th January 1885.

Sir,

I AM directed by the Earl of Derby to request that you will state to the Earl of Kimberley, in reply to your letter of the 23rd of October last, that there are no agricultural banks in the Colonies established for the purpose of making advances to agriculturists, unless it be the Crédit Foncier of Mauritius, and I am to suggest that reference might be made to their City office, 17, Change-alley, Cornhill, for any information respecting the working of their bank which Lord Kimberley may desire to obtain.

In explanation of the delay which has occurred in answering your letter, I am to state that Lord Derby thought it desirable to inquire from the High Commissioner for the Dominion of Canada and the Agents General in this country for the Colonies having responsible government, whether any such banks existed in the Colonies which they represent, and the last reply has only just been received.

— No. 13. —

From the Secretary of State for India to the Governor General of India in Council (Revenue, No 20), dated 19th February 1885.

IN continuation of my Despatch in this Department, No. 95, dated 23rd October last, I forward herewith, for the information of your Excellency's Government, copy of the papers noted in the margin, reporting the results of the inquiries which have been made relative to the Crédit Foncier of Egypt, and similar institutions elsewhere.

See page 58.

To Foreign Office, dated 23rd October 1884.
From „ „ 11th December 1884, and Enclosures.

To Colonial Office, dated 23rd October 1884.
From „ „ 20th January 1885.

— No. 14. —

From the Under Secretary of State for Foreign Affairs to the Secretary of State for India, dated 5th March 1885.

I AM directed by Her Majesty's Secretary of State for Foreign Affairs to transmit to you, to be laid before the Earl of Kimberley, copy of a Despatch from Sir E. Baring respecting the Crédit Foncier in Egypt.

Sir E. Baring. No. 123.

Enclosure in No. 14.

From Sir *E. Baring* to Earl *Granville*.—(Received 17th February.)

(No. 123.)

My Lord, Cairo, 8 February 1885.

WITH reference to my Despatch, No. 1060, of the 21st November last, I have the honour to enclose a copy of the Report of the Directors of the Egyptian Crédit Foncier for the year ending the 31st October 1884.

The main facts of general interest which are contained in this Report are as follows:—

One hundred and twenty-two loans, amounting to £. E. 260,515, were made during the year. Including the operations of previous years, 1,538 loans had been made by the company up to the 31st October 1884, the total amount advanced being £. E. 2,395,681.

Loans to the amount of £. E. 353,068 were repaid during the year.

The amount outstanding on loan on the 31st October 1884 was therefore £. E. 2,042,613.

The sums due to the Company during the year, including both interest and sinking fund, amounted to £. E. 363,002. Of this amount, only £. E. 196,831 was received during the year, leaving £. E. 166,170 due. Since the 31st October this amount has been reduced to £. E. 86,642.

Up to the 31st October 1883 the company had acquired, by the expropriation of debtors, fourteen estates worth £. E. 16,969.

During the year ending the 31st October 1884, 48 estates, worth £. E. 173,056, were acquired by expropriation, making a total on the 31st October 1884 of 62 estates, worth £. E. 190,026.

Of these, five estates were resold for £. E. 6,058, leaving 57 estates, worth £. E. 183,968, in the hands of the company.

These estates consisted of 4,974 acres of land, acquired for a sum of £. E. 128,869, and some houses at Alexandria, acquired for a sum of £. E. 55,092.

The shareholders have received interest at the rate of 6 per cent. on their capital.

The following remarks from the Report are of sufficient general interest to be quoted:—

"Le chiffre des prêts réalisés ne s'est élevé qu'à £. E. 260,000, votre Conseil ayant cru prudent de ne réaliser que très peu d'affaires nouvelles.

"C'est sur les expropriations que la crise s'est fait le plus sentir en éloignant les acheteurs.

"Nous sommes restés acquéreurs d'une grande partie des terres que nous avons fait vendre.

"'Ces terres nous sont restées à des prix qui ne peuvent en rien être considérés comme base de leur valeur réelle, et dès que les affaires du pays seront réglées, vous verrez l'argent reparaître et nous trouverons á liquider ces immeubles dans des conditions plus favorables."

The Appendices attached to the Report contain some interesting information.

I have already mentioned that, since the establishment of this institution in 1880, 1,538 loans have been made, the total sum lent amounting to £. E. 2,395,681.

The following Table shows the classification of these loans according to their relative importance :—

	Number of Loans.	Amount Lent.
		£. E.
Below £. E. 100 - - - - - - - - -	30	2,086
From £. E. 100 to £. E. 200 - - - - -	361	50,311
„ 200 300 - - - - -	218	51,569
„ 300 400 - - - - -	155	50,317
„ 400 500 - - - - -	123	53,424
„ 500 1,000 - - - - -	255	170,009
„ 1,000 2,000 - - - - -	178	242,448
„ 2,000 3,000 - - - - -	71	195,867
„ 3,000 5,000 - - - - -	63	198,544
„ 5,000 10,000 - - - - -	37	23,772
„ 10,000 40,000 - - - - -	40	666,850
„ 40,000 60,000 - - - - -	2	96,925
„ 60,000 70,000 - - - - -	3	187,000
„ 80,000 - - - - - - - -	1	80,000
„ 111,613 - - - - - - - -	1	112,613
TOTAL - - -	1,538	2,395,681

It would seem from the above Table that the company has not to any considerable extent dealt with the small cultivators. Only 30 loans, amounting in all to £. E. 2,086, have been made in sums of less than £. E. 100.

The number of acres of land mortgaged to the company was 132,507, the greater portion being in the provinces, although 95 loans, amounting in all to £. E. 221,817, were made on urban property.

I have, &c.
(signed) *E. Baring.*

P.S.—Your Lordship will remember that a short while ago the Government of India asked for information on this subject (*see* your Lordship's Despatch, No. 443, of the 31st October 1884). I forward, therefore, a duplicate copy of the report of the directors, in case your Lordship should think it advisable to send one to the India Office.

E. B.

— No. 15. —

From the Secretary of State for India to the Governor General of India in Council (Revenue, No. 35), dated 2nd April 1885.

From Foreign Office, 5th March. (With Enclosure.) See page 63.

IN continuation of my Despatch in this Department, No. 20, dated 19th February last, I forward herewith, for the information of your Excellency's Government, copy of further Papers regarding the Crédit Foncier of Egypt.

— No. 16. —

EXTRACT Proceedings of the Government of India in the Revenue and Agricultural Department for November 1886.

From *T. D. Mackenzie*, Esq., C.S., Acting Chief Secretary to Government of Bombay, Revenue Department, to the Secretary to the Government of India (No. 6982 A.), dated the 30th September 1886.

I AM desired, with reference to the co respondence ending with Mr. Under-Secretary Bayley's, letter, No. 95—57—2, R., dated 9th February 1885, to forward, for the consideration and orders of the Government of India, copy of letter, dated 2nd November 1885, from Sir William Wedderburn with accompanying letter to him from the Chairman of the Poona Committee for the promotion of Agricultural Banks, dated 21st October 1885. Not printed.

2. Before discussing these letters in detail, I am directed to state that his Excellency the Governor in Council would wish to know whether the Government of India are disposed to allot any funds to an experiment if the Secretary of State's scruples are removed by the arguments used in this correspondence.

Enclosure 1, in No. 16.

From Sir *William Wedderburn* to the Secretary to the Government of Bombay, Revenue Department, dated Bombay, 2nd November 1885.

IN accordance with your letter, No. 10,257, of the 31st December last, and subsequent correspondence, I have now the honour to forward a report, dated the 21st ultimo, from the Chairman of the Poona Committee for the promotion of Agricultural Banks, giving the result of their consideration of the points noted in the Despatch from the Secretary of State for India, No. 95, dated 23rd October 1884. I beg also, as requested, to submit the following remarks. Not printed.

2. While expressing my concurrence in the views stated by the Poona Committee, and while trusting that the facts and explanations set forth in their report will remove the objections suggested by Her Majesty's Secretary of State, I would, with much respect, but at the same time very earnestly, urge that a final decision upon the general questions raised is not necessary as a condition precedent to the practical experiment proposed. On the contrary, I would submit that it is only from an experiment of this kind, on a limited scale and within a limited area, that we can ascertain the facts and gain the experience necessary to decide whether the system of Agricultural Banks, which have proved so beneficial elsewhere, may not be extended generally to India, where the landed interest is suffering so grievously from the want of cheap and abundant capital. It is not as though it were now proposed, for the first time, to test some novel theory not hitherto brought within the range of practical administration. As his Excellency in Council is well aware, popular land banks have been long in successful operation in Europe, America, and Australasia. Throughout the German Empire alone there are nearly 2,000 of these people's banks now actually at work, and the returns furnished by 902 of them show an aggregate of loans exceeding 74 millions sterling. And even in Turkey the system has been found to work well, in spite of the ruined condition of the peasantry. Indeed it seems to be generally admitted in Europe that, without the help of such institutions, it is almost impossible for a peasant proprietary to maintain itself in independence. Such being the case, the practical question seems to be, whether there exist any such special or local difficulties as must prevent the extension to India of this well-established and useful system? And this question, I would submit, can only be satisfactorily answered by a practical experiment upon the lines agreed to by the Government of India. Often, no doubt, in India, unexpected difficulties arise, but on the other hand experience shows that difficulties confidently anticipated often disappear when brought to the test.

3. I would also beg to point out that the present movement in favour of Agricultural Banks owes its success to the continued efforts of a few public spirited Native gentlemen who, by the exercise of their local influence, have persuaded both ryots and money-lenders that their interests are not necessarily antagonistic, and that both classes may be prosperous, if they co-operate amicably in accordance with sound principles. The present

correspondence, which raises various difficult economic questions, has imposed much additional labour upon these gentlemen; and the long delay involved naturally acts as a discouragement to those who were eager to proceed at once to practical work.

4. With reference to the observations contained in paragraph 10 of the Secretary of State's Despatch, I would ask the favour of attention to the remarks at pages 12 and 13 of the accompanying pamphlet. The Bombay Settlement Commissioner is naturally anxious that unpopularity and odium should not attach to his own department. But as regards the general interests of Government, I submit that in India the Executive Government has to bear any popular disfavour arising from the collection of debts, whether they are collected through the revenue officials or through the civil courts. The ignorant people make no distinction between the revenue and judicial machinery, both of which they regard as the "Sirkar," while the educated portion of the community knows that the constitution and procedure of the courts depend entirely upon the legislative powers exercised by the Executive Government.

Enclosure 2, in No. 16.

From the Chairman of the Poona Committee for the promotion of Agricultural Banks, Poona, to Sir *W. Wedderburn*, Bart., dated Poona, 21st October 1885.

I HAVE the honour to acknowledge receipt of the letter of the 8th January last with subsequent communications, and in reply to inform you that the Poona Committee for the establishment of an agricultural bank in the Deccan have had under their careful consideration Her Majesty's Secretary of State's Despatch, No. 95, dated the 23rd October 1884, relative to the proposals for establishing an agricultural bank in the Purandhar Taluka of the Poona District. The Despatch suggests several objections to the scheme, and concludes with the remark that while "the Secretary of State is compelled to state his conviction that the proposals contained in the Government of India's letter of the 31st May last are not capable of practical application, he hopes that the Government of India will understand that he is prepared to give the most careful attention to any scheme for the promotion of the objects in view that Government may suggest after consideration of the objections stated in the Despatch." The committee having attentively considered these objections now beg to address you as under.

2. From the general drift of the observations contained in the Despatch the committee feel sure that some of the assumptions which underlie the objections made to the scheme would have had no place, and the scheme would probably have not met with disfavour from the Secretary of State, if the proposals for an agricultural bank at Purandhar, and the principles upon which it is intended to work it, as explained in the Government of India's letter No. 658, R., dated 5th December 1882, to the Government of Bombay, and in their Despatch, No. 7, of 31st May 1884, to the Secretary of State for India, and in the Committee's letter to Sir William Wedderburn, dated the 9th January 1883, and to the Government of Bombay, dated the 13th March 1883, had been more fully and explicitly stated, and the whole correspondence had been submitted for his consideration.

3. These objections seem to resolve themselves under the following heads:—

1st. That the scheme is scarcely what it purports to be. It is professedly a private enterprise, and yet it is impossible to avoid the conclusion that the proposed bank will virtually be a Government institution. Government will provide, in the first instance at least, a large part of the working capital (for it is apparent that much of the working capital will be obtained from the sum advanced by Goverment for the liquidation of the existing debts of the ryots); Government will, at any rate in the last resort, undertake the collection of debts due to the bank.

2nd. That the bank is to receive special privileges, and be placed by law in a position which, in the opinion of the Secretary of State, could be justified only on the assumption that it is to work on behalf of Government for political or social objects, rather than to be conducted on ordinary business principles.

3rd. That about half the rayats of Purandhar are in debt, yet not so completely insolvent as to make any attempt to relieve them hopeless.

4th. That in the proposal that the Government shall lend the bank the sum necessary for carrying out the liquidation scheme at 4 per cent., the bank charging the rayat 9 per cent., it is not clear why the bank should have a profit of 5 per cent. on the transaction, and why the rayat should not have the benefit of the lower rate of interest.

5th. That

5th. That no explanation is given as to what security can be offered to debenture holders, and it is difficult to understand how the bank can be regarded as solvent even at the outset.

6th. That assuming, however, that these very grave preliminary difficulties can be overcome, that the existing debts of the agriculturists have been entirely cleared off, and that they are in a position to deal freely with the bank, the Secretary of State is not satisfied that the business which it could transact would be of such a kind as to meet all the ordinary requirements of the rayats.

7th. That it would be out of the question for revenue officers to undertake the function of collecting debts due to the bank without satisfying themselves of the justice of the bank's demand, and to put in force the summary process of the revenue law upon an *ex-parte* statement; and if they are to inquire, however summarily, into the justice of the bank's demands, they will in reality assume the functions of a civil court.

4. With regard to the first objection, that the scheme, though professedly a private enterprise, will virtually be a Government institution, inasmuch as the Government will provide a large portion of the working capital of the bank, and will undertake the collection of the bank's debt, at any rate in the last resort, the committee deem it right to state in the most distinct manner that the promoters never contemplated that any part of the working capital of the bank should come from the sum advanced by Government for the liquidation of the existing debts of the rayats, and be applied to the ordinary operations of the bank. The correspondence will show that the promoters of the bank propose that the bank should have a subscribed capital of ten lakhs in 2,000 shares of 500 rupees each. Of the subscribed capital, one lakh will be called up as soon as the bank commences its business, the unpaid capital of nine lakhs remaining as a security to debenture holders and depositors of the bank. In addition to the unpaid capital, the debenture holders and depositors of the bank will have, as security, the total mortgages held by the bank, which as a rule, will exceed the amount covering the bank's loans by at least 33 per cent. The committee, it is true, deem it necessary that before the bank begin any business at all, the way should be cleared for it by liquidating the debts of the agriculturists within the selected area. The two points worthy of note in this connection are—(1), the ascertainment and liquidation of the present debts of the rayats within the area of the proposed experiment; and (2) a scheme for the constitution of an agricultural bank, which, in consideration of agreeing to conform to certain conditions prescribed by Government, would enjoy certain privileges, and receive certain assistance from Government. The committee kept these two questions distinctly apart from each other, and as the Government of India explained* it, it was possible for the one plan to be carried out independently of the other. The committee believe that the Secretary of State's objection that, though professedly a private concern, the proposed bank will virtually be a Government institution, arises from the mixing up of the liquidation scheme with the scheme for the constitution of the bank; otherwise it is difficult to account for the statement that Government will provide a large part of the working capital of the bank, which, it is further urged, will be obtained from the sum advanced by Government. Now, if the preliminary liquidation is to be carried out on the lines of the scheme proposed in paragraphs 10 and 11 of the Government of India's letter of 5th December 1882, to the Government of Bombay, it is clear that the whole of the six and a-half lakhs, which it is estimated will be required for the purposes of liquidation, will be paid to such of the agriculturists whose debts have been settled by the liquidators appointed to carry out the liquidation scheme. The whole of the sum therefore will pass from Government directly into the hands of the creditors of the cultivators without the intervention of the bank. It is only at the stage of the repayment of the Government advances made under this scheme that the bank's business commences. When the liquidation inquiries and settlements are over the bank committee will pay off the whole of the sum advanced by Government in the first instance with four per cent. interest, and the Government will hand over to the bank the business, *i.e.*, the right of recovering the advances in accordance with the stipulations made with the borrowers, and a permission to deal on the same terms with other people. It is hoped that, in many cases, Government will not have, even in the first instance, to advance any money in cash, but the larger creditors will consent to become the shareholders in the bank for the amount due to them, and in that case no payment will be necessary. The smaller creditors will have to be paid off in full, and it is for them that Government advances will be necessary. As none but Government can undertake the inquiries relating to the liquidation of debts, the settlement of debts on a reasonable basis will be greatly helped if the original advances were made to come from the Treasury. Otherwise, the settlements would not be arranged with sufficient strictness and economy. The advances, however, will all be repaid before the bank takes up the work of recovery. It will thus be seen that the scheme proposed is not open to the objection that Government provides in the first instance, at least, a large portion of the working capital of the bank. Government will, in fact, provide no portion of the working capital of the bank, which will, on the contrary, be used to repay back to Government all its advances with interest, before it commences business. The bank will purchase for cash paid the claims of the Government to recover the advances made by the liquidating and settlement commission. In making these recoveries, the bank will seek Government help only in the

* *See* para. 6.

last resort. This help, however, is confined strictly to the use of the revenue agency for collecting the instalments fixed by the settlement officers. There is nothing novel in such a provision. Under the ordinary law, execution against land has been transferred to these officers, and under the Agriculturists' Relief Act this agency is more largely utilized for collecting debts due from agriculturists. The requisition for this help does not therefore constitute any departure from the policy of the law, and cannot be urged as an argument to prove that the institution so helped is, to all intents and purposes, a Government concern.

5. The second objection is that the bank's demand for special privileges to be recognised as first mortgagees cannot be justified except on the assumption that it is to work on behalf of Government for political or social objects. The committee beg leave here to state that such political and social considerations can be urged in favour of the concessions sought by the bank. It is true that the direct aim and object of the bank is to work it on sound business principles for the purpose of affording relief to agricultural classes, or facilities for agricultural improvements. At the same time the committee believe that, in undertaking the management of the business connected with the repayment of the advances, and bringing the work of the liquidation scheme to a successful issue, the bank will be rendering a material, political, and economical service to Government. It is scarcely necessary for the committee to say that the clearing the agriculturists of their present debts and encumbrances, and bringing them to a position of solvency, is an object of great economical importance, and one which must conduce to further the interests of Government in its capacity as the State landlord. The diminished pressure caused by the settlements of old liabilities by spreading them over long terms, and charging low interest, will enable them to pay Government instalments punctually in good and bad years, will induce in them habits of thrift and economy, and, in short, will prepare them to meet the uncertainty of the seasons, and secure facilities for maintaining their agricultural operations in a high state of efficiency. All these are results which must benefit Government directly and indirectly. In the same connection the committee beg to urge that the measures of relief proposed and actually carried out by Government in other parts of the country, such as the Talukdari settlement in Gujarat, the Acts for the relief of Sind Jaghirdars, and the zamindars in Jhansi, are all based on the supposition that the liquidation of the old debt by Government in the first instance, and the concession of the help of Government officers in making recoveries, are legitimate demands upon Government. In the system of relief applied to the four Deccan districts, similar help must be extended if the special Legislature is intended to lead to any permanent change for the better.

6. The third objection has reference to the economic condition of Purandhar. Now the Purandhar taluka has an area of 457 square miles. The Government villages are 67 with 66 hamlets, and cover an area of 346 square miles. The alienated villages, which are 25 with 15 hamlets, represent an area of 114 square miles. In all there are 92 villages and 81 hamlets. The population of the taluka, as shown by the last census, was 75,678 souls. Of this total population, about 45,500 are maintained by agriculture. The rest, about 30,000, are non-agriculturists. The percentage of agriculturists is thus 60, the percentage for the Poona zilla being 56. Of the 45,000 agriculturists, excluding the women and children under 15, there are about 15,000 heads of agricultural families, and of this number there are about 13,400 Khatedars, men in whose name separate numbers are registered in the village books. Of these 13,400 Khatedars:—

		Plots.			
3,458	hold between	1	and	5	acres.
2,695	,,	5	to	10	,,
3,848	,,	10	,,	20	,,
2,423	,,	20	,,	30	,,
621	,,	30	,,	40	,,
206	,,	40	,,	50	,,
119	,,	50	,,	100	,,
21	,,	100	,,	200	,,
3	,,	200	,,	500	,,
1	,,	over	,,	500	,,
13,400					

The land revenue paid by the 13,400 Khatedars is 97,760 rupees, or 7½ rupees per head. The total area of 67 Government villages with hamlets is 2¼ lakhs of acres. Of this total area,

166,388	acres are	arable.
18,720	,,	unarable.
5,952	,,	grass kurans.
26,655	,,	forest area.
7,076	,,	village sites, roads, &c.
224,791	which is equal to about 350 square miles.	

Of

Of the arable area of 166,388 acres of Government villages, 24,788 were Inam lands. Of the balance of 141,610 acres of arable Government lands, 141,503 were under occupation, that is 99 per cent. Of these occupied and assessed Government lands, 134,039 were dry-crop lands, and 1,835 acres were Bagayat of both sorts, Motasthal and Patasthal. Of the 141,548 acres of land under occupation, 17,502 were fallow, and 2,225 were twice-cropped, leaving 126,271 acres under crop in 1881. Of this area of 126,271 acres, 118,000 acres produced grain crops, about 5,233 produced pulses, 501 acres were taken up by oil-seeds, 1,022 were under sugarcane, and the rest were devoted to miscellaneous crops.

The grain area was thus distributed:—

73,026	acres were taken up by	jowari.	
32,840	,, ,,	bajri.	
1,489	,, ,,	rice.	
1,022	,, ,,	wheat.	
2,435	,, ,,	maize.	
2,464	,, ,,	nagli.	
4,600	,, ,,	miscellaneous grains.	
118,000	acres under grain.		
1,620	,,	gram.	Acres 5,233 under pulses.
2,158	,,	kulthi.	
237	,,	tur.	
250	,,	mug.	
968	,,	miscellaneous.	
1,022	,,	sugarcane.	
140	,,	chillies.	
2,449	,,	vegetables.	
500	,,	oil-seeds.	
126,271	acres in all in 1881.		

The average yield of an acre of good dry-crop land in Purandhar is 400 or 500 pounds, *i.e.*, five or six maunds. The yield of middling land is similarly three maunds, and of the worst two maunds. The committee might be fully justified in assuming three maunds as the average yield, but they advisedly under-estimate the yield so as to err on the safe side. They accordingly assume the yield to be, on an average, two maunds for dry-crop lands. Multiplying the several acreages by this figure, and taking the value at a moderate estimate of 2 rupees to three a maund, the total dry-crop produce for the 118,000 acres comes to about 5 lakhs. The Bagayat cultivation represents, at the most moderate calculation, the value of 50,000 rupees. In all, the annual yield of 126,000 acres of Government lands will thus be about 5½ lakhs. This estimate represents the yield of Government lands under tillage, estimated at an acreage of 126,000. Alienated lands in Government villages are 15 per cent. of the total area of Government villages, or about 25,000 acres. Their probable yield would, on the same calculation, be about one lakh of rupees. The total agricultural produce of Government villages would thus be about 6½ lakhs.

There are, besides, 25 alienated villages and 15 hamlets, in all covering an area of 114 square miles. As this area is about one-third of the total Government area, their yield at the rates per Government villages would be about two lakhs more. The agricultural produce of the whole taluka may be thus valued in all at 8½ lakhs.

The agriculturists in Purandhar have, besides, a large number of carts. Two hundred and fifty-seven carts are used for riding purposes, and 1,091 as draught carts. At the lowest calculation these carts must yield to the owners 25,000 rupees in the course of the year. There are, besides, 12,883 cows, and 3,540 she-buffaloes. The yield of ghee from these animals may be put down at a moderate calculation at 20,000 rupees. The wages earned elsewhere, such as in Bombay and other places, by the adult emigrants who go out during the busy season, may represent another 25,000 rupees. All these general sources of income raise the total of the agriculturists' gross earnings in the Purandhar Taluka to about 10 lakhs of rupees a year.

Excluding from our calculation the income of the rayats in the alienated villages, the 13,400 khatedars in Government villages alone have between them an income of 7½ lakhs of rupees. The income per head of each agricultural family is thus about 50 rupees, out of which he has to pay 7½ rupees to Government as assessment. This is the gross income. Taking 60 per cent. as the cost of cultivation, the net profits are about three lakhs, out of which Government takes nearly one lakh as assessment. The Government assessment is thus one-third of the net yield, and one-seventh of the gross yield.

It will be thus seen that the half-assets principle, meaning thereby that the net profits of agriculture are just equal to the assessment, has no application in Purandhar. The net profits are three, if not four times the assessment. It is in general a well-favoured taluka, and has been selected for the Agricultural Bank experiment on that very account. Sirur, Bhimthadi, Indapur, and Maval, come within the half-assets rule. Khed comes next, and Junnar, Heveli, and Purandhar, are the best-conditioned talukas in the zilla. Junnar is far off from Poona for active supervision, and Heveli, with Poona as its head-

quarters, will present unusual complications in the way of loan business. Purandhar has been accordingly selected on all these accounts as the best circumstanced to satisfy the requisite conditions for success.

As regards the indebtedness of the agricultural classes in Purandhar, no statistics are forthcoming, but there is one indication of a very decisive nature that goes to prove that the agriculturists in Purandhar are not so depressed as in other parts of the zilla. The Purandhar agriculturists have availed themselves of the facilities for the redemption of their debts afforded by the Deccan Agriculturists' Relief Act to a much larger extent than any of the other Poona talukas. From the averages of the last three years it appears that about 40,000 rupees have been advanced each year on simple bonds, and about 1¼ lakhs of rupees on mortgages to the agriculturists in this taluka. The rates of interest have been generally from 12 to 24 per cent. The redemption suits decided represented a value of 50,000 rupees charged on mortgages, and out of this sum about one-third has been paid off in accordance with the terms of the decrees. All these are hopeful indications as regards the comparative ability of the rayats to take advantage of additional facilities for ridding themselves of the pressure of old debts. The estimates made by the Deccan Riots Commission may therefore be safely accepted as an index of the indebtedness of this taluka. If there is any likelihood of error, it will be an error on the safe side. The Commissioners estimated that one-third, on an average, of the cultivators were pressed by debts, which was about 18 times their annual rental, and that two-thirds of this amount were secured on land. As the number of Khatedars has been shown to be 13,400, we may safely, on this basis, hold that about 4,000 or 5,000 rayats are pressed by their indebtedness. Of the remaining two-thirds who are not embarrassed, some must necessarily be well-to-do, and may be classed with the savkars. The one-third embarrassed rayats would be indebted to the extent of 5 or 6 lakhs of rupees, being 18 times their third share of the total assessment of 1 lakh. A considerable portion of the unembarrassed rayats, about 40 per cent. out of them, would be weighted by a charge for debt which, at nine times their assessment, would come to 2½ lakhs. The total indebtedness would thus be about 9 or 10 lakhs of paper debt, which it may be fairly expected will be reduced by one-third when the liquidation inquiries are undertaken and carried out. It was on this basis that the actual amount of indebtedness was estimated by the committee at 6½ lakhs.

The rayats involved in this liability will be men who pay to Government about 50,000 rupees a year as assessment, and whose income at 50 rupees to 60 rupees a year per each head of the agricultural families, will be about 4 lakhs of rupees. Deducting 50,000 rupees for Government assessment, and 2¼ lakhs of rupees for the charge of maintaining the agriculturist and their cattle, and defraying the cost of production, all which comes to 60 per cent., there remains a margin of a lakh of rupees on the safest calculation. This balance is quite sufficient to enable the rayats to pay 12 per cent. interest on the 6½ lakhs, 3 per cent. out of this being sinking fund, and to leave a further margin of about 20,000 rupees to meet unforeseen contingencies, or provide securities for fresh borrowings. At the present rates of interest, which are never lower than 12, and rise as high as 24 or 36 per cent., the whole of this lakh of rupees of surplus produce is eaten up by the interest charge.

The promoters of the agricultural banks scheme hope thus to come to the relief of these indebted, but not altogether depressed, classes. As observed in paragraph 4, they will form a company with a nominal capital of 10 lakhs, of which only 1 lakh will be called up, the rest will be provided for by debentures secured on the mortgages transferred to them by the settlement commissioners. They hope to raise the necessary debenture capital at 6 per cent. They will lend it to the rayats at an average 9 per cent. interest, with an additional 3 per cent. for sinking fund. The margin of 3 per cent. interest will provide for the charges of management, which are estimated to be 1½ per cent., and the remaining 1½ per cent., spread over 6½ lakhs, will represent 9 per cent. on the capital of one lakh called up. The scheme, as thus formulated, will be financially safe, if only the Government extends its support to it by a general inquiry and settlement of the debts, and by subsequently helping the bank to recover its dues in the last resort by the help of the revenue officer's agency.

7. This brings us to the consideration of the fourth objection raised by the Secretary of State. It will be seen from the above that if the liquidation scheme, as proposed, meets the sanction of Government, and is carried out by the Debt Commission, and if the collection of the Government advances is entrusted to the agency of the new Agricultural Bank, the difference in the rates of interest paid to debenture-holders and depositors, and that charged to the rayats, will represent the amount of gross profits earned by the bank, being the remuneration which the bank is fairly entitled to ask, and which will go to pay a moderate but sure dividend to its shareholders. The reason why the rayats cannot have the whole of the benefit of the Government rate of interest is that Government advances cannot be safely made or effectively recovered without the intervention of some private agency. If some such private agency is necessary, it is clear that it must be paid for. Government officers are so overworked that they cannot attend to this business with the care it demands. This has been made amply manifest by the failure of the Takavi system everywhere in this presidency. No Government officer can feel the personal interest in, nor possess that minute knowledge of, this work,

which

which alone can ensure success. The bank's agents will bring to bear upon their work all the requisite skill, interest and elasticity necessary to the success of the scheme.

8. The answer to the fifth objection is that the security offered to debenture-holders and depositors, and which guarantees the solvency of the bank, consists of—

(*a.*) The unpaid capital of the bank, amounting to nine lakhs of rupees.

(*b.*) The total mortgages held by the bank. These mortgages will, as a rule, exceed the amount covered by the bank's loans by at least 33 per cent. It has never been contemplated be the promoters of the bank that the bank's operations should trench upon the present dealings of savkars, who are not merely money-lenders, but dealers and speculators in produce as well. On the contrary, the promoters hope to enlist the co-operation and sympathy of the dealers in various ways. The business of the bank will be of a strictly legitimate character, namely, lending money on approved securities for the purpose of enabling the rayats to dig wells, dam nalas, buy bullocks, or ploughs, or labour-saving machines, or purchase seed-grain. That loans of this nature do not form the mass of the transactions of the Deccan rayat with his village banker is, in the opinion of the committee, due not to a want of desire on the rayat's part to effect such improvements, so much as to the extreme difficulty of obtaining loans at moderate rates of interest for even the most ordinary wants of agricultural life, such as seed-grains, bullocks, or ploughs.

9. In answer to the sixth objection, therefore, the committee beg leave to state that the main object the promoters have in view is to pave the way for rehabilitating a system of credit, without putting the bank to any risk, to induce habits of thrift and prudence among the peasantry; to afford scope for savings and accumulation of capital; to encourage improvements feasible by the help of small loans, and to help the revival of those small but useful village industries which play so important a part in the economy of agricultural life, but which are fast dying out owing to a variety of circumstances.

10. As regards the seventh and the last objection, the committee are respectfully of opinion that there is perhaps no point in the Despatch as to which their views have been, unfortunately, more misunderstood than in the assertion that the committee desire the revenue officers of Government to perform the function of collecting the bank's debts and outstandings without satisfying themselves of the justice of the bank's demands, or that they desire such officers to put in force the summary provisions of the revenue law upon an *ex-parte* statement and that such officers should assume the functions of a civil court. The committee beg, in the most distinct manner, to state that they never contemplated that the bank's debts, as a rule, should be collected through the agency of revenue officials. So far from this being the case, the committee urged that it was only in the last resort, when every available means of recovering debts had been exhausted, and when the only question before the bank was, whether to put up with the loss of money, or call in the agency of the revenue officer, that it would have recourse to that help. The committee are of opinion that if the promoters of the bank see that resort must be had to the aid of the revenue officer in more than a certain definite proportion of cases, they would much rather close the bank than permit its business to be continued a day longer. Again, it is to be noted that the bank agrees to conform to the rules laid down by Government in respect of the keeping of the books and accounts, and in respect of the forms of obligations passed to the bank by its debtors; obligations which, on the face of them, will afford the clearest proof of the bank's claims. The accounts will be periodically examined and audited by auditors specially appointed by Government, and will afford clear evidence of the justice of the bank's claims upon a statement drawn up by the agent of the bank and solemnly declared to be correct before the revenue officer. It will be in rare cases only that the bank's claims will have to be placed on a footing of equality with the claims of Government for arrears of revenue. They trust to the moral effect produced by a provision of this kind upon their debtors to enforce honest dealings mainly rather than seek to carry the provision literally into effect. The committee believe that, armed with such a provision, they will be able to work the bank much more effectively than they would be otherwise in a position to do.

11. The committee trust that they have shown that the proposals made in their scheme for giving a trial to the establishment of an experimental agricultural bank within a restricted area have reference to practical considerations; that whereas, if the scheme is not found to answer the expectations of Government, it will not do much harm, its success would result in a vast indirect benefit to Government, whose interests, as the State landlord, are bound up with all the advantages which the bank is in a position to secure to the rayats by promoting habits of thrift and saving, and by affording facilities by means of small loans to help the agriculturists in those small but industrial and productive occupations with which their welfare, no less than the advantage to the State, is inextricably bound up.

— No. 17. —

EXTRACT Proceedings of the Government of India in the Revenue and Agricultural Department for November 1886.

From the Secretary to the Government of India to the Secretary to the Government of Bombay (Revenue Department), No. 756, dated 24th November 1886.

IN acknowledging the receipt of Mr. Mackenzie's letter, No. 6982A., dated the 30th September last, I am directed to state that if any scheme for Agricultural Banks in the Deccan should be finally sanctioned in connection with the proposals of the Poona Committee to which that letter refers, the Government of India will not object to the grant of advances up to a limit of six or seven lakhs at a rate of interest not less than that at which the Government of India is itself able to raise money in the local market. It is, however, understood that His Excellency the Governor in Council has made the reference under reply with the object of avoiding any correspondence which would be unnecessary if money could not be made available, and that, before application is made for such advances, the Government of Bombay will examine the statements of the Poona Committee, and fully explain the grounds on which, if so advised, His Excellency the Governor in Council recommends that the proposed scheme for the formation of Agricultural Banks should be again referred to the Secretary of State for consideration on its merits.

BOMBAY BRANCH
OF THE
Royal Asiatic Society.
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POST OFFICE MAIL CONTRACT (EAST INDIA AND CHINA).

RETURN to an Order of the Honourable The House of Commons, dated 21 March 1887;—*for*,

COPY "of a CONTRACT, dated the 18th day of March 1887, for the Conveyance of the EAST INDIA and CHINA MAILS, together with a COPY of the MINUTE of the TREASURY with regard thereto."

Treasury Chambers,
21 March 1887.

W. L. JACKSON.

THE PENINSULAR AND ORIENTAL STEAM NAVIGATION COMPANY.—CONTRACT of 18 March 1887.

LIBRARY OF THE BOMBAY BRANCH OF THE ROYAL ASIATIC SOCIETY

EAST INDIA AND CHINA MAILS.

ARTICLES OF AGREEMENT under seal made and entered into this 18th day of March 1887, between the Right Honourable Henry Cecil Raikes, Her Majesty's Postmaster General (hereinafter called the Postmaster General, in which term is included his successors in office, Her Majesty's Postmaster General for the time being), on behalf of Her Majesty, of the one part, and the Peninsular and Oriental Steam Navigation Company (hereinafter called the Company), of the other part: These Presents witness that Her Majesty's Postmaster General, for himself, and his successors Her Majesty's Postmaster General for the time being (as to the covenants, agreements and stipulations hereinafter contained on his and their parts) doth hereby covenant and agree with the Company and their successors, and the Company for themselves, their successors, and assigns (as to the covenants, agreements and stipulations hereinafter contained on their part), do hereby covenant and agree with the Postmaster General and his successors Her Majesty's Postmaster General for the time being in manner following (that is to say):—

Mails defined.

1. For all the purposes of these presents the term "Mails" shall be understood to comprehend all boxes, bags or packets of letters, post cards, newspapers, books or printed papers, parcels, and all other articles which, under the Regulations of the Post Office for the time being are transmissible by the post, without regard either to the place to which they may be addressed or to that in which they may have originated, and also all empty bags, empty boxes, baskets, and other receptacles, and other stores and articles used or to be used in carrying on the Post Office Service which shall be sent by, to, from or between any post offices in any country or place, to or from which mails are required to be conveyed in pursuance of this Agreement.

Company to convey Mails.

2. The Company shall and will at all times during the continuance of this Agreement convey by means of vessels of the Company plying between Brindisi and Bombay (*viâ* the Suez Canal), and by means of vessels of the Company plying between Brindisi and Shanghai (*viâ* the Suez Canal) on the several routes and at the respective intervals of time, and between the several places specified in the Schedule hereunder written, and at an average rate of speed of 12·54 knots per hour between Brindisi and Bombay, and at an average rate of speed of 12·54 knots per hour between Brindisi and the Suez Canal, and of 11·20 knots per hour between the Suez Canal and Shanghai, and within such times and in such manner as is provided in Clauses 9 to 13 (both inclusive) hereof, all mails which the Postmaster General or any of his officers or agents shall

from time to time and at any time or times require to be conveyed in either direction between Brindisi and Bombay, and between Brindisi and Shanghai, and generally between any of the ports or places mentioned in the said Schedule, subject to the powers and provisions of modification, alteration and variation which are hereinafter contained.

Company to provide Vessels.

3. The Company shall and will at all times during the continuance of this Agreement, or so long as the whole or any part of the services hereby agreed to be performed ought to be performed in pursuance thereof, provide, keep seaworthy and in complete repair and readiness to the satisfaction of the Postmaster General, for the purpose of conveying as herein provided all mails which the Postmaster General or any of his officers or agents shall from time to time and at any time require to be conveyed as herein provided, a sufficient number of good, substantial and efficient steam vessels of adequate power and speed, and supplied with first-rate appropriate steam engines, and in all respects suited to the performance of the services herein agreed to be performed within the respective times herein stipulated.

Also small steamer at Bombay and Aden.

4. The Company shall land and embark at Aden and at Bombay all mails conveyed or intended to be conveyed by them in pursuance of this Agreement to and from those places respectively, by means of a small steam vessel at each of the said last-mentioned places, and accordingly the Company shall, in addition to the vessels hereinbefore mentioned, provide at each of the said places a small steam vessel (hereinafter in the case of Bombay called the Bombay subsidiary steamer), which said vessels respectively shall be so constructed as to be able at all states of the tide to land and embark the mails at Aden and at Bombay respectively, and shall at all times keep such vessels in complete repair and ready for landing and embarking the mails accordingly at such places respectively.

To land and embark Mails at their own cost.

5. The Company shall at their own costs land and embark all mails conveyed or intended to be conveyed by them in pursuance of this Agreement at all ports or places at which such mails are to be landed or embarked, and shall accordingly at their own costs provide suitable means and proper assistance for landing and embarking the mails at all such ports or places, and shall be responsible for the due embarkation and delivery of the mails.

Equipment and Manning of Vessels.

6. The vessels to be provided under this Agreement shall be always furnished with all necessary and proper tackle, stores, boats, fuel, lamps, oil, tallow, provisions, machinery, engines, anchors, cables, fire pumps, and all other proper and requisite means for extinguishing fire, lightning conductors, charts, chronometers, proper nautical instruments, and all other furniture and apparel, and whatsoever else may be requisite and necessary for equipping the said vessels and rendering them constantly efficient for the said services, and shall be manned with legally qualified and competent officers with appropriate certificates, granted pursuant to the Act or Acts in force for the time being relative to the granting certificates to officers in the Merchant Service, and also with competent engineers and a sufficient crew of able seamen and other men, and with a competent surgeon to be subject to the approval of the Postmaster General.

Power to declare Vessel unfit.

7. If the Postmaster General shall consider any of the Company's vessels unfit for the conveyance of mails, he may, by writing under his hand or under the hand of one of the Secretaries or Assistant Secretaries of the Post Office, require the Company to show cause why such vessel should not be withdrawn from the service, and unless within six weeks after such requisition the Company shall show cause to the contrary to the satisfaction of the Postmaster General, he may at any time after the expiration of the said period of six weeks by writing under his hand or under the hand of one of the Secretaries or Assistant Secretaries of the Post Office, declare such vessel to be unfit for the conveyance of mails, and after such declaration shall have been made it shall not be lawful for the Company to employ such vessel in the performance of this Agreement, and in order to determine whether the Postmaster General shall be justified in declaring any vessel unfit for the conveyance of mails, or whether the Company shall be able to show cause to the contrary, a special examination shall be made of the hull and machinery of any such vessel by

such person or persons as may be selected for that purpose by the Postmaster General.

Inspection of equipments, officers, &c.

8. The equipment, officers, engineers and crew of each vessel, when such vessel is in any British port, shall be subject at all times to the inspection of the Postmaster General or of such other person or persons as he shall at any time or times authorise to make such inspection.

Time for conveyance of Mails from Brindisi to Bombay.

9. All mails conveyed from Brindisi to Bombay in pursuance of this Agreement, shall be conveyed by the Company *viâ* the Suez Canal, and the entire voyage from Brindisi to Bombay shall be completed in 344 hours from the commencement of the voyage from Brindisi, and the said period of 344 hours shall include 30 hours for the conveyance of such mails through the Suez Canal and three hours for the stoppage at Aden of the vessel conveying such mails.

Bombay to Brindisi.

10. All mails conveyed from Bombay to Brindisi in pursuance of this Agreement shall be conveyed by the Company *viâ* the Suez Canal, and the entire voyage from Bombay to Brindisi shall be completed in 392 hours during the prevalence of the south-west monsoon, and in 344 hours at all other times, from the commencement of the voyage from Bombay, and the said periods of 392 hours and 344 hours shall respectively include three hours for the stoppage at Aden of the vessel conveying such mails, and also 30 hours for the conveyance of such mails through the Suez Canal.

Brindisi to Shanghai.

11. All mails conveyed from Brindisi to Shanghai in pursuance of this Agreement shall be conveyed by the Company *viâ* the Suez Canal, and the voyage from Brindisi to Shanghai shall be completed in 894 hours during the prevalence of the north-east monsoon, and in 846 hours at all other times from the commencement of the voyage from Brindisi, and the said periods of 894 hours and 846 hours shall respectively include 30 hours for the conveyance of such mails through the Suez Canal, and 6 hours for the stoppage at Aden, 24 hours for the stoppage at Colombo, 6 hours for the stoppage at Penang, 24 hours for the stoppage at Singapore, and 24 hours for the stoppage at Hong Kong, of the vessel conveying such mails.

Shanghai to Brindisi.

12. All mails conveyed from Shanghai to Brindisi in pursuance of this Agreement shall be conveyed by the Company *viâ* the Suez Canal, and the entire voyage from Shanghai to Brindisi shall be completed in 966 hours during the prevalence of the south-west monsoon, and in 870 hours at all other times, from the commencement of the voyage from Shanghai, and the said periods of 966 hours and 870 hours shall respectively include 48 hours for the stoppage at Hong Kong, 24 hours for the stoppage at Singapore, 6 hours for the stoppage at Penang, 24 hours for the stoppage at Colombo, and 6 hours for the stoppage at Aden, of the vessel conveying such mails, and also 30 hours for the conveyance of such mails through the Suez Canal.

Duration of Voyage, how reckoned.

13. The several periods of 344 hours, 392 hours, 344 hours, 894 hours, 846 hours, 966 hours and 870 hours hereinbefore mentioned are hereinafter called periods of transit and shall in all cases be reckoned from the commencement of the voyage of the vessel by which the first part of the transit shall be performed to the completion of the voyage of the vessel by which the last part of the transit shall be performed, and the times of the commencement and completion of every such voyage shall be ascertained and recorded by officers of the Postmaster General, in pursuance of arrangements to be from time to time made by him for such purposes, and the decision of the Postmaster General as to all questions relating to periods of transit shall be final and conclusive.

One vessel may be used between Brindisi and Aden for both Services.

14. The Company shall at all times be at liberty to convey all the mails hereby agreed to be conveyed to and from Brindisi in one and the same vessel between Brindisi and any port on the route to Bombay and Shanghai, both on the outward and homeward voyage, and the said Brindisi and Shanghai Mail Service shall, in order to give effect to this Clause, be always so timed as to coincide with the said Brindisi and Bombay Mail Service between Brindisi and such port as aforesaid, both on the outward and homeward voyage. Provided that this Clause shall not enable the Company to increase the period of transit

of the said Mail Service between Brindisi and Bombay or between Brindisi and Shanghai.

Company to convey all Mails required by Post Office.

15. The Company shall convey all mails which the Postmaster General or any of his officers and agents shall from time to time, or at any time or times require to be conveyed in either direction between Brindisi and Port Said and between Port Said and Bombay, and between Port Said and Shanghai, and the Company shall give all reasonable facilities for embarking and disembarking the said mails at Port Said, but the Company shall not be required in the performance of this obligation to do any act which would cause delay in the conveyance of the mails between Brindisi and Bombay, and between Brindisi and Shanghai respectively, on either the outward or the homeward voyage, in accordance with the provisions of this Agreement.

Commencement or termination of Voyages.

16. With respect to voyages commencing or terminating at Bombay, a voyage commencing at Bombay shall be deemed to commence when the Bombay subsidiary steamer, with the mails on board, arrives alongside the vessel by which the voyage is intended to be performed, and a voyage terminating at Bombay shall be deemed to be completed when the Bombay subsidiary steamer arrives alongside the vessel by which the voyage has been performed. and with respect to voyages commencing or terminating at Brindisi or Shanghai, a voyage commencing at Brindisi or Shanghai shall be deemed to commence so soon after the time appointed as hereinafter provided by the Postmaster General for the commencement thereof, or after the completion of the embarkation of the mails on board the vessel by which the voyage is intended to be performed, whichever shall last happen, as (having regard to practical considerations) the anchor of the vessel can be weighed or the vessel can be loosed from its moorings, and a voyage terminating at Brindisi or Shanghai shall be deemed to be completed when the vessel by which the voyage has been performed has arrived at a position in the port of final destination from which the mails can be conveniently delivered and has dropped its anchor or been attached to its moorings.

Vessels to start, &c., as mentioned in Schedule.

17. One of the vessels to be provided under this Agreement, shall at such intervals as are specified in the Schedule hereunder written, and on such days of the week and at such hours as the Postmaster General shall appoint (either by a time table or time tables to be from time to time approved by him in accordance with the terms of this Agreement or otherwise as he shall think fit), and immediately after the mails are embarked, put to sea from, touch and arrive at the several ports or places respectively mentioned in the said Schedule (subject to any modification, alteration or variation thereof in accordance with the powers and provisions herein contained, and subject also to the times hereinbefore allowed for stoppages, and to the provisions contained in Clause 14 hereof), and all the stipulations, matters and things in the said Schedule contained shall form part of this Agreement and be observed and performed by the Company accordingly. And the Company shall convey in such vessels to and from, and cause to be delivered and received at those of the ports or places mentioned in the said Schedule, from or at which the said vessels are to start, touch and arrive in the performance of this Agreement (subject as aforesaid), all such mails as shall or may be tendered or delivered to or received by the Company or any of their agents, officers or servants, by or from the Postmaster General or any of his officers or agents.

Power to delay departure.

18. Should it be deemed by the Postmaster General, his officers or agents, requisite for the public service, that any vessel to be employed under this Agreement should at any time or times delay her departure from any port from which the mails are to be conveyed under this Agreement, beyond the period appointed for her departure therefrom, the Postmaster General, or any of his officers or agents, shall have power to order such delay (not, however, exceeding 24 hours) by letters addressed by him or them to the master of any such vessel or person acting as such, and which shall be deemed a sufficient authority for such detention, and in any such case an equivalent addition shall be made to the period of transit, during which such detention shall take place.

Power to alter times of departure.

19. If at any time or times the Postmaster General shall, either on account of any alteration in the ports of call, or for any other reason whatever, desire

to

to alter the particular days, times or hours of departure from and arrival at any of the ports or places to or from which mails are for the time being to be conveyed under this Agreement, he shall (but subject and without prejudice to the provisions of Clause 14 hereof) be at liberty so to do, on giving to the Company three calendar months' notice in writing of such his desire, provided such alterations do not necessitate any increase in the aforesaid respective rates of speed between the several ports or places hereinbefore mentioned.

Power to substitute Salonica for Brindisi

20. If at any time the Postmaster General shall desire to substitute Salonica for Brindisi as the port or place for the commencement and termination of the respective outward and homeward services hereby contracted to be performed, he shall be at liberty so to do, on giving to the Company six calendar months' notice in writing of such his desire, and from and after the expiration of such notice, the port of Salonica shall, for all the purposes of this Contract, be substituted for the port of Brindisi, and this Contract shall, in respect of all services thenceforth to be performed, be read and construed as if the word "Salonica" appeared throughout the same in lieu of the word "Brindisi." Subject nevertheless to the following exceptions, that is to say: In the event of such substitution as lastly hereinbefore mentioned, the several periods of transit respectively mentioned in Clauses 9, 10, 11, 12, and 13 hereof shall be respectively liable to be diminished to such extent as shall be agreed upon between the Postmaster General and the Company, or failing such Agreement as shall be determined by arbitration in manner hereinafter provided; and the subsidy payable under Clause 46 hereof shall be liable to be increased or diminished in such manner as having regard to all the circumstances of the case, and particularly to any expense or loss incurred, or to any risk run by, or any advantage accruing to, the Company in consequence of such substitution shall be agreed upon between the Postmaster General and the Company, or failing such agreement, shall be determined by arbitration in manner hereinafter provided.

Power to modify Services in consequence of political circumstances.

21. (1) If at any time or times the Postmaster General shall in consequence of political circumstances deem it necessary or expedient for the public interest that any mails conveyed or intended to be conveyed under this Agreement shall not be landed or embarked at Brindisi as hereinbefore provided, the Company shall, on receiving reasonable notice in writing in that behalf, signed by the Postmaster General, in lieu of landing or embarking such mails at Brindisi, perform such of the substituted services hereinafter specified as may be required by such notice, that is to say:—

(*a*) The Company shall convey the mails by means of the vessels to be employed under this Contract from the Suez Canal to such port or place in the Continent of Europe east of Gibraltar as may be appointed by the Postmaster General for such purpose, and shall land or embark the mails at such port or place; and in such case the mails shall be conveyed from the Suez Canal to such substituted port or place at an average rate of speed of 12·54 knots per hour, or

(*b*) The Company shall convey the mails from the Suez Canal to some convenient port or place in the United Kingdom by any vessel or vessels for the time being belonging to the Company and actually plying between such port or place in the United Kingdom and any of the ports or places other than Brindisi or Salonica mentioned in this Agreement, and shall land and embark the mails at such port as aforesaid in the United Kingdom accordingly; and in such case the mails shall be conveyed between the Suez Canal and such port in the United Kingdom as aforesaid, at such average rate of speed as is customary with such last-mentioned vessel or vessels.

(2) All the provisions of this Agreement with reference to the services to be performed by the Company shall, so far as the same are applicable, apply to the embarkation, conveying and landing of the mails under the provisions of this Clause.

(3) The Postmaster General shall not, in respect of the substituted services in this Clause mentioned, make any additional payment to the Company unless by reason of the performance of such substituted services, and on no other account,

account, the Company shall sustain a loss of general revenue or incur expenses exceeding the expenses incurred in the conveyance of the mails to and from Brindisi under the provisions of this Agreement.

(4) Should any such loss or additional expense as last aforesaid be sustained or incurred by the Company, the Postmaster General shall pay to the Company, in addition to the said subsidy, such sum of money as may be agreed upon between him and them, or failing such agreement as shall be determined by arbitration in manner hereinafter provided, and upon any such arbitration due regard shall be had to the respective interests of the Company and the Postmaster General in the performance of the voyage or voyages of any vessel or vessels by which the mails shall have been conveyed from or to any substituted port or place, as provided by this Clause.

Power to otherwise modify services.

22. If at any time or times the Postmaster General shall desire otherwise to modify the services hereby agreed to be performed (as for example, to increase or decrease the frequency of the conveyance of mails between any of the ports or places to or from which such mails are to be conveyed under this Agreement, or to extend the conveyance of such mails to any other ports or places not specified in this Agreement, or to discontinue the conveyance of such mails to or from any port or place specified in this Agreement), he shall be at liberty so to do on giving reasonable notice to the Company, and from and after the expiration of any such notice the modified services thereby required to be performed shall be accordingly performed by the Company in lieu of the services hereby agreed to be performed, and in any and every such case if such notice cause an increase of the services hereby agreed to be performed the Postmaster General shall in respect of such increase pay to the Company in addition to the subsidy hereinafter agreed to be paid as the consideration for the performance by the Company of the services hereby agreed to be performed, such sum of money as may be agreed upon between the Postmaster General and the Company, or failing such agreement, as shall be determined by arbitration in manner hereinafter provided, or if such notice cause a decrease of the services hereby agreed to be performed, the Postmaster General shall in respect of such decrease deduct from the said subsidy such sum of money as may be agreed on as aforesaid, or failing such agreement, as shall be determined by arbitration in like manner as aforesaid.

Altered times and services to be observed.

23. The particular days, times and hours of departure from and arrival at any ports or places, or of other services (if any) which may be appointed under the preceding clauses, or any of them, shall for the time being be deemed to be the days, times and hours of departure and arrival of mails and other services under this Agreement, and shall be observed and kept by the Company accordingly.

Vessel to carry Officer of Post Office between Suez and Bombay and between Penang, Singapore and Hong Kong.

24. The Company shall receive and allow to remain on board of each of the said vessels while employed in the performance of this Agreement between the Suez Canal and Bombay, and also while stopping anywhere between the Suez Canal and Aden, or at Aden, and whether such vessel shall be with or without mails on board, an officer of the Indian Post Office to take charge of, and sort and make up the mails. And the Company shall receive and allow to remain on board each of the said vessels, while employed in the performance of this Agreement between Penang and Singapore, and between Singapore and Hong Kong, an officer of the Post Office to take charge of, and sort and make up the mails.

His accommodation.

25. A suitable first-class cabin, with appropriate bed, bedding and furniture, shall, at the cost of the Company, be provided and appropriated by them for the exclusive use and accommodation of every such officer, and every of the said officers shall be victualled by the Company as a chief cabin passenger without any charge either for his passage or victualling.

Sorting Officers.

26. The Company shall also receive and allow to remain on board each of the said vessels while employed in the performance of this Agreement between the Suez Canal and Bombay, and also while stopping anywhere between the Suez Canal and Aden, or at Aden, and whether such vessels shall be with or without mails on board, in addition to the officer in charge of the mails, such a number of officers in the service of the Post Office as shall be reasonably required

required for the purpose of sorting and making up the mails conveyed, or to be conveyed by such vessel, and shall, without any charge, provide suitable accommodation, and victualling for such additional officers, either as chief cabin passengers or as fore-cabin passengers, at the option of the Postmaster General.

Mail and Sorting Rooms.

27. The Company shall, at their own cost, provide on each of the vessels to be employed in the services under this Agreement, a separate and convenient room or rooms for the convenient and secure deposit of the mails under lock and key, and shall also at the like cost, if and when they shall be required so to do by the Postmaster General, erect and provide on each of the vessels to be employed in the services under this Agreement between the Suez Canal and Bombay, a separate and convenient room on the uppermost deck, and of such dimensions as the Postmaster General may from time to time require, for sorting and making up the mails, and on each of the vessels to be employed under this Agreement between Penang and Singapore and between Singapore and Hong Kong a separate and convenient room for sorting and making up the mails, and shall provide in every such room all such furniture, lamps, fittings and other conveniences as shall be necessary or convenient for the purpose of sorting and making up mails, and all such furniture, lamps, fittings and other conveniences shall be from time to time cleansed and kept in repair, and the oil for the lamps supplied by the servants and at the cost of the Company, and the services of the crew of every such vessel shall from time to time be given in the conveyance of the mails between the mail room and the sorting room.

Mail Officer to be conveyed on shore.

28. At each port or place where mails are to be delivered and embarked, the officer having charge of mails shall, whenever and as often as by him shall be deemed necessary for the public service, be conveyed on shore and also from the shore to the vessel employed for the time being in the performance of this Agreement, together with or (if such officer shall consider it necessary for the purposes of this Agreement so to do) without mails in a suitable and seaworthy boat, of not less than four oars, to be furnished with effectual covering for the mails, and properly provided, manned, and equipped by the Company.

Masters to take charge of Mails when required.

29. The master or commander of each of the said vessels employed in the performance of this Agreement, shall, whenever required by the Postmaster General or his agents, without any remuneration other than the subsidy herein provided to be paid to the Company, take due care of the mails conveyed or intended to be conveyed by every such vessel, and shall adopt all necessary measures and precautions for the safety of the said mails, to the satisfaction of the Postmaster General, his officers and agents.

And make declarations, &c.

30. Each of such masters or commanders shall make the usual declaration or declarations required, or which may hereafter be required, by the Postmaster General in such and similar cases, and furnish such journals, returns, and information to and perform such services as the Postmaster General or his agents may require, and every such master, commander, or officer duly authorised by him having the charge of mails, shall himself, immediately on the arrival at any of the said ports or places of any such vessel, deliver all mails for such port or place into the hands of the Postmaster or other person at such port or place whom the Postmaster General shall authorise to receive the same, receiving in like manner all the return or other mails to be forwarded in due course.

Company not to convey Letters other than Her Majesty's Mails.

31. The Company shall not, nor shall any of the masters or commanders of any of the vessels employed or to be employed under this Agreement, receive or permit to be received on board any of the vessels employed under this Agreement any letters for conveyance other than those contained in Her Majesty's mails and such letters as are not required by law to pass through the Post Office, nor shall the Company or any such master or commander receive or permit to be received on board any of such vessels, any mails for conveyance on behalf of any colony or foreign country, without the consent of the Postmaster General, and the entire postage of all mails conveyed by such vessels respectively under this Contract shall in all cases belong to the Postmaster General, and shall be absolutely free from all claims or demands whatsoever of or by the Company under or by virtue of this Contract or otherwise.

Company and Officers to obey orders of Postmaster General.

32. The Company and all commanding and other officers of the vessels employed in the performance of this Agreement, and all agents, seamen, and servants of the Company, shall at all times punctually attend to the orders and directions of the Postmaster General, his officers or agents, as to the mode, time and place of landing, delivering, and embarking the mails, and shall at all times protect the mails to the utmost of their power.

Government Passengers.

33. The Company shall and will when and so often as they or the masters or commanders of their vessels shall be required in writing so to do, by the Postmaster General, or by any officers or agents acting under his authority (such writing to specify the rank or description of the person or persons to be conveyed and the accommodation to be provided for him or them), receive, provide for, victual and convey to, from and between any of the ports or places to, from and between which any of the said vessels are to proceed in the performance of this Agreement (in addition to any officers of the Post Office employed in connection with the mails conveyed or to be conveyed under this Agreement) any number of naval, military or civil officers in the service of Her Majesty not exceeding eight in any one ship, with or without their wives and children, as chief cabin or first-class cabin passengers (together with their servants, male and female, who are to have the same accommodation as that provided for the servants of other passengers or of officers of the Company), and any number of non-commissioned and warrant officers not exceeding four in any one ship, with or without their wives and children, as fore-cabin or second-class passengers, and also any number of seamen, marines, soldiers or artificers in Her Majesty's service not exceeding ten in any one ship, with or without their wives and children, as deck or third-class passengers, to be always provided with effectual protection from rain, sun and bad weather, and not exposed on deck without such competent shelter, and to have hammocks or bunks (subject to the approval of the Lords Commissioners of the Admiralty) placed between decks.

Their accommodation.

34. The passengers who shall be conveyed in pursuance of the last preceding clause (who are hereinafter designated Government passengers) with their families, shall be treated in no respect, whether as regards food, cabin or other accommodation, or aught else, in a way inferior to that of ordinary passengers of the same class or to that required by the regulations of Her Majesty's Transport Service. The messing of the second-class Government passengers shall include in each day an imperial pint of good sound bottled or draught ale or beer, and that of the third-class an imperial pint of draught beer or one half-gill of spirits. The several classes of passengers shall mess in separate places, and medical attendance, medicine and medical comforts, mess utensils and fittings, cooking utensils, articles for table use and mess-places, fuel, lights, requisite articles of bedding and all other necessaries shall be provided for them in like manner as for ordinary passengers of the like classes respectively.

Passage Money.

35. The passage money for Government passengers and their families and servants respectively shall, unless otherwise agreed between the Postmaster General on behalf of the Lords Commissioners of the Admiralty and the Company, be the same as that charged by the Company for ordinary passengers for the same class, and shall include all the particulars mentioned in the last preceding clause, and if and whenever any alteration of rates for ordinary passengers shall be made by the Company, the Postmaster General and the Lords Commissioners of the Admiralty shall be immediately apprized of such alteration.

Returns to be furnished.

36. Returns of the embarkation and disembarkation of all Government passengers shall be furnished to the Director of Transports immediately after the departure and arrival of each vessel.

Payments, how made.

37. Payments for passage money for Government passengers shall be applied for by invoices according to a form to be obtained from the Office of the Accountant General of the Navy, and shall be made by such Accountant General or some other officer of the Admiralty, only upon such applications, and upon the production of the orders for the passage, together with a certificate under

under the hand of the commanding officer, specifying the number of the third-class passengers (men, women and children) conveyed, with the ages and sexes of the latter, and stating the periods during which they have been respectively, regularly supplied while on board with provisions, and also of a certificate under the hand of each first and second-class passenger of his or her having been landed at the place of destination, and of having been properly accommodated and messed during the voyage, and specifying the dates from and to which they were so messed, computed from the first to the last dinner meal.

Baggage.

38. The Company shall convey for every Government passenger, free of charge, the quantity of baggage (whether such quantity shall be estimated or ascertained by bulk or weight) to which he is entitled under the regulations of Her Majesty's Transport Service for the time being in force, and freight shall be payable for any extra baggage of a Government passenger after the same rate as the freight payable according to the regulations of the Company for the time being for extra baggage of an ordinary passenger of the same class.

Wives and families

39. The passage money for the wives and families and servants of commissioned and civil officers when not ordered to be conveyed at the public expense shall be paid to the Company by the officers themselves.

Officers in Her Majesty's Service to have preference to other passengers

40. In all cases where an officer in the naval, military or civil service of Her Majesty who may not be entitled to a passage at the public expense shall require a passage on board any of the vessels employed in the performance of this Agreement, the Company shall be bound to provide, when they have room in such vessel, a passage for such officer in preference to any private passenger, and shall charge no higher rate for such passage than is chargeable for an ordinary passenger.

Admiralty packages to be conveyed.

41. The Company shall receive on board each of the vessels employed in the performance of this Agreement, and shall convey on behalf of the Lords Commissioners of the Admiralty any small packages which may be ordered for conveyance, and also (on receiving from the Postmaster General, or his officers or agents, or from the British naval officer in command of any naval station two days' previous notice) shall receive on board any naval or other stores not exceeding 10 tons weight or 15 tons of 40 cubic feet each in measurement at any one time in any one vessel, and shall convey and deliver such small packages and stores at the lowest rate of freight charged by the Company for private goods of a similar character or description, and the Company shall give immediate notice to the Postmaster General and the Lords Commissioners of the Admiralty of any alteration in such rate of freight, and shall in all cases be responsible for the custody and safe and speedy delivery of such packages and stores.

Postmaster General may delegate his powers.

42. It shall be lawful for the Postmaster General at any time and from time to time to delegate any of the powers vested in him by virtue of these presents to such person or persons as he shall think fit.

Company not to convey dangerous articles.

43. The Company shall not convey in any vessel employed by them in pursuance of this Agreement any nitro-glycerine or any other article which shall have been legally declared specially dangerous.

Quarantine.

44. The Company shall undertake and make all necessary and proper arrangements relative to quarantine which may be required in respect of the vessels employed in the performance of the services under this Agreement, and no deduction shall be made from the subsidy mentioned in Clause 46 hereof, nor shall the Company be otherwise liable for or by reason of any delay in the landing, embarkation, delivery, or conveyance of any mails arising from the imposition of quarantine.

Power to Admiralty to purchase or charter vessels.

45. The Lords Commissioners of the Admiralty shall at any time during the continuance of this Agreement, if they shall consider it necessary for the public interest so to do, have power and be at liberty to purchase all or any of the vessels for the time being employed or intended to be employed under this Agreement at a valuation, or to charter the same exclusively for Her Majesty's service at a rate of hire to be mutually fixed and agreed on by them and the

Company, or in case of difference, to be determined by arbitration, and every or any difference as to the amount of valuation or hire, or rate of hire so to be paid shall be determined by arbitration in manner hereinafter provided. And the said Commissioners in the case of hiring any such vessel shall return the same to the Company in the same state and condition as the same was in at the time of any such hiring, reasonable wear and tear excepted. And if any difference should arise upon that point, the same shall be determined by arbitration in manner hereinafter provided. And it is further agreed, that in the case of such purchase or hire, the services hereby contracted to be performed shall be performed by other vessels of the Company of a similar description to the vessel or vessels purchased or hired, if the Company can in due and proper time furnish such vessels. And in the event of the Company being allowed by the Postmaster General to continue to perform only a portion of such services, there shall be paid to the Company such annual sum of money as shall be agreed upon by the Postmaster General and the Company, and in case of their differing as to the amount, the difference shall be determined by arbitration in manner hereinafter provided.

Subsidy.

46. In consideration of the covenants and agreements herein contained, and on the part of the Company to be observed and performed, and of the due and faithful performance by the Company of all the services under this Contract, there shall be payable to the Company during the continuance of this Agreement (out of such aids or supplies as may from time to time be appropriated by Parliament for that purpose) a yearly subsidy or sum after the rate of 265,000 *l.* per annum, or (in the event of any such default or failure as hereinafter mentioned) so much of the said subsidy or sum as shall remain payable in respect of any year after making such deductions therefrom (if any) as hereinafter in that behalf mentioned, in respect of any such default or failure.

Deductions for not providing vessel.

47. If at any time the Company shall fail to provide an efficient vessel at Brindisi, Bombay, or Shanghai, ready to put to sea on and at the appointed day and hour, then, and so often as the same shall happen, there shall be deducted from the subsidy which would in the absence of any such default be payable to the Company for the current year the sum of 500 *l.*, and also the further sum of 100 *l.* for every successive 24 hours which shall elapse until such vessel actually proceeds to sea on her voyage in pursuance of this Agreement. Provided always that the total amount of the sums deducted as last aforesaid shall not in the aggregate exceed that part of the said subsidy of 265,000 *l.* for the current year which shall be applicable to the voyage reckoned from the first port of departure to the last port of arrival in respect of which default shall have been made, by a sum greater than the sum of 1,000 *l.* The provisions contained in this Article shall not apply to any substituted service which may be required under Article 21 hereof.

For delay in delivering Outward mails.

48. If at any time or times Her Majesty's mails shall not be conveyed from Brindisi to Bombay or from Brindisi to Shanghai within the respective periods of transit hereinbefore stipulated in that behalf, then, and so often as the same shall happen, there shall be deducted from the subsidy which but for this provision would be payable to the Company for the current year, a sum of 100 *l.* for every complete period of 12 hours by which the time actually occupied in the conveyance of such mails from Brindisi to Bombay or from Brindisi to Shanghai, as the case may be, shall have exceeded the period of transit hereinbefore stipulated in that behalf.

And Homeward mails.

49. If at any time or times Her Majesty's mails shall not be conveyed from Bombay to Brindisi, or from Shanghai to Brindisi, within the respective periods of transit hereinbefore stipulated in that behalf, then and so often as the same shall happen, there shall be deducted from the subsidy which but for this provision would be payable to the Company for the current year, a sum of 200 *l.* for every complete period of 12 hours by which the time actually occupied in the conveyance of such mails from Bombay to Brindisi, or from Shanghai to Brindisi, as the case may be, shall have exceeded the period of transit hereinbefore stipulated in that behalf. Provided always that in the event of the late arrival of a vessel at Brindisi having on board mails conveyed from

from both Bombay and Shanghai, one deduction only at the rate aforesaid shall be made under this Clause, although the times actually occupied in the conveyance of such mails both from Bombay to Brindisi and from Shanghai to Brindisi may have been in excess of the respective periods of transit hereinbefore stipulated in that behalf, and such deduction shall be calculated on the longer of such periods of excess.

Limit of amount of deductions.

50. Provided always that the total amount of the sums deducted in respect of any such default or failure as hereinbefore mentioned in the delivery of mails shall not exceed that part of the said subsidy of 265,000 *l.* for the current year which shall be applicable to the voyage or voyages which has or have been performed, or which ought to have been performed in the conveyance of such mails.

No deduction when default due to cause beyond Company's control.

51. Provided also, and it is hereby expressly declared, that no deduction shall be made from the said subsidy by reason of any such default or failure as in Articles 48 and 49 respectively mentioned, which may be proved to the satisfaction of the Postmaster General to have arisen wholly or in part from any cause or causes altogether beyond the control of the Company.

Deductions to be made although no damage sustained, and not by way of penalty.

52. Each of the deductions hereinbefore mentioned and hereby agreed to be made shall be made, and the yearly subsidy of 265,000 *l.* be reduced accordingly, although no damage or loss shall have been sustained by reason or in connection with such default, and no such deduction shall in any case be deemed to be a penalty, or in the nature of a penalty, and the payment by the Postmaster General of what shall from time to time remain due in respect of the said subsidy of 265,000 *l.*, after making any such deduction as aforesaid, shall in no case prejudice the right of the Postmaster General to treat the failure of the Company to provide an appropriate vessel at any appointed place or time, or to perform any service at or within the appointed period as a breach of this Agreement.

Subsidy payable quarterly.

53. All accounts in relation to the said subsidy, and any deductions therefrom or additions thereto as hereinbefore provided shall be made out and settled up to and on, or as soon as conveniently may be after, the 31st day of March, the 30th day of June, the 30th day or September, and the 31st day of December in each year, and the amount or balance (if any) which shall be justly due to the Company on each such quarterly account shall be paid by the Postmaster General out of such aids or supplies as aforesaid upon the settlement thereof, and for the purposes of such accounts the said yearly subsidy of 265,000 *l.*, or any increased or decreased subsidy which may become payable under or by virtue of any of the provisions herein contained, shall be deemed to accrue from day to day subject to the liability of the same to be reduced by such deductions as aforesaid.

Commencement and duration of Agreement.

54. This Agreement shall commence on or as from the 1st day of February 1888, and shall continue in force until the 31st day of January 1898, and shall then determine if the Postmaster General shall by writing under his hand, or under the hand of one of the Secretaries or Assistant Secretaries for the time being of the Post Office, have given to the Company, or if the Company shall have given to the Postmaster General 24 calendar months' notice that the Agreement shall so determine, but if neither the Postmaster General nor the Company shall give any such notice this Agreement shall continue in force after the said 31st day of January 1898, until the expiration of a 24 calendar months' notice in writing as aforesaid, which notice may be given by either of the parties hereto to the other of them, on or at any time after the 31st day of January 1898.

Failure to commence services.

55. If the Company shall fail to commence the performance of the services hereby agreed to be performed on the 1st day of February 1888, or on the first day thereafter which the Postmaster General shall fix as the day for the commencement of the performance of such services, the Company shall pay to Her Majesty, her heirs or sucessors, as stipulated or ascertained damages in respect of such default, the sum of 100 *l.*, and also the further sum of 100 *l.* for every successive period of 24 hours which shall elapse before the Company shall commence the performance of such services. Provided always that the total amount which shall become payable by the Company in respect of such default

as aforesaid shall not in the aggregate exceed the sum of 40,000 *l.* Provided also that the payment by the Company of the aforesaid sums by way of stipulated or ascertained damages in respect of any default in the commencement of the performance of the said services shall not prejudice the right of the Postmaster General to insist on any deduction from the said subsidy of 265,000 *l.*, to which he may be entitled in respect of the same default under the provisions hereinbefore contained.

Voyages commenced when Agreement ends to be completed.

56. If on the determination of this Agreement any vessel or vessels shall have started, or shall start on any voyage or voyages with the mails on board in conformity with this Agreement, such voyage or voyages shall be continued and performed and the mails be delivered and embarked during and at the determination of the same as if this Agreement had remained in force with regard to any such vessels and services. And with respect to such vessels and services as last aforesaid respectively this Agreement shall be considered as having terminated when such respective vessels shall have reached their port or place of destination, and such respective services shall have been performed, but the Company shall not be entitled to receive any payment or compensation for the same.

Notices.

57. All notices or directions which the Postmaster General, his officers, agents or others, are hereby authorised to give to the Company, their officers, servants or agents, other than any notice of termination of this Agreement may, at the option of the Postmaster General, his officers, agents or others, either be delivered to the master of any of the said vessels or any other officer or agent of the Company in the charge or management of any vessel employed in the performance of this Agreement, or left for the Company at their office or house of business in London, or any other place, and any notices or directions so given or left shall be binding on the Company. Provided always that any notice of termination of this Agreement shall be served on the Company, their officers, servants or agents, at their office or last known office in London.

Company not to assign, &c., Agreement.

58. The Company shall not assign, underlet or dispose of this Agreement or any part thereof, without the consent of the Postmaster General signified in writing under his hand, or under the hand of one of the Secretaries or Assistant Secretaries of the Post Office, and in case of the same or any part thereof being assigned, underlet or otherwise disposed of, or of any great or habitual breach of this Agreement, or any covenant, matter or thing herein contained on the part of the Company, their officers, agents or servants, it shall be lawful for the Postmaster General, if he shall think fit, and notwithstanding there may or may not have been any former breach of this Agreement, by writing under his hand, or under the hand of one of the Secretaries or Assistant Secretaries of the Post Office, to determine this Agreement without any previous notice to the Company or their agents, nor shall the Company be entitled to any compensation in respect of such determination, and such determination shall not deprive the Postmaster General of any right or remedy, to which he would otherwise be entitled by reason of such breach or any prior breach of this Agreement, and in case any difference shall arise between the parties hereto as to the sufficiency of any such breach as aforesaid to justify the Postmaster General in determining this Agreement, such difference shall be referred to and determined by arbitration in manner hereinafter provided. Provided always that in case within seven days after service on the Company of a notice of the determination of this Agreement by the Postmaster General as aforesaid, on the ground of any great or habitual breach thereof, the Company give a notice in writing to the Postmaster General (by delivering the same or sending the same by post to one of the Secretaries of the Post Office) that they dispute the sufficiency of such breach to justify the Postmaster General in determining this Agreement, such dispute shall be referred to arbitration in manner hereinafter provided, and in such case, this Agreement shall, notwithstanding such notice of determination, continue in force, unless and until an award shall be made to the effect that such breach was sufficient to justify the Postmaster General in giving such notice of determination as aforesaid.

59. All

"Arbitration."

59. All matters which in pursuance of the provisions hereinbefore contained are to be determined by arbitration shall be referred to two arbitrators or their umpire, pursuant to and so as with regard to the mode and consequences of the reference, and in all other respects to conform to the provisions in that behalf contained in the Common Law Procedure Act, 1854, or any then subsisting statutory modification thereof, and upon every or any such reference the arbitrators and umpire shall respectively have power to examine the parties and witnesses upon oath or affirmation, and every or any such reference may be made a rule or order of any division of Her Majesty's High Court of Justice on the application of either party, and such party may instruct counsel to consent thereto for the other party.

Member of Parliament not to ha interest in Agreement.

60. In pursuance of the provisions contained in an Act of Parliament passed in the 22nd year of the reign of King George the Third, intituled "An Act for restraining any person concerned in any contract, commission or agreement made for the public service from being elected or sitting and voting as a Member of the House of Commons," no Members of the House of Commons shall be admitted to any share or part of this Agreement, or to any benefit to arise therefrom contrary to the true intent and meaning of the said Act.

Agreement to be approved by Hou of Commons.

61. This Agreement shall not be binding until it has been approved by a Resolution of the House of Commons.

Bond Clause.

62. And lastly for the due and faithful performance of all and singular the covenants, conditions, provisoes, clauses, articles and agreements hereinbefore contained, which on the part and behalf of the Company are or ought to be observed, performed, fulfilled and kept, the Company do hereby bind themselves and their successors unto our Sovereign Lady the Queen in the sum of 40,000 *l.* of lawful money of the United Kingdom, to be paid to our said Lady the Queen, her heirs and successors, by way of stipulated or ascertained damages hereby agreed upon between the Postmaster General and the Company, in case of the failure on the part of the Company in the due execution of this Agreement or any part thereof.

IN WITNESS whereof the said HENRY CECIL RAIKES, Her Majesty's Postmaster General, hath hereunto set his hand and seal, and the PENINSULAR AND ORIENTAL STEAM NAVIGATION COMPANY have caused their common seal to be hereunto affixed, the day and year first above written.

THE SCHEDULE BEFORE REFERRED TO.

ROUTE No. 1.

ONCE A WEEK.

From Brindisi to Bombay *viâ* the Suez Canal, calling at Aden, and from Bombay to Brindisi *viâ* the Suez Canal, calling at Aden.

ROUTE No. 2.

ONCE IN EVERY TWO WEEKS.

From Brindisi to Shanghai, calling at Aden, Colombo, Penang, Singapore and Hong Kong, and from Shanghai to Brindisi, calling at Hong Kong, Singapore, Penang, Colombo and Aden.

Signed, sealed, and delivered by the said HENRY CECIL RAIKES, Her Majesty's Postmaster General, in the presence of } HENRY CECIL RAIKES.

Seal of H.M. Postmaster General.

Z. BROOKE,
General Post Office, London, Solicitor.

The Common Seal of the PENINSULAR AND ORIENTAL STEAM NAVIGATION COMPANY was hereunto affixed in the presence of

THOS. SUTHERLAND,
J. R. ENGLEDUE,
F. D. BARNES, } Directors.

The Seal of the Peninsular and Oriental Steam Navigation Company.

A. M. BETHUNE, Secretary.

COPY of TREASURY MINUTE, dated 21 March 1887.

MY Lords have before them the contract which has been arranged with the Peninsular and Oriental Steam Navigation Company, for the conveyance of the India and China mails on the termination of the existing contract with that Company on the 31st January 1888.

Under the existing contract the mails are conveyed between Brindisi and Alexandria, and between Suez and Bombay, at an average speed of 11 knots an hour; and between Suez and Shanghai at an average speed of 10½ knots an hour.

The service is a weekly one to Bombay, fortnightly between Suez and Shanghai, overland across Egypt; the cost, including 12,000 *l.* per annum for carriage of mails by Egyptian Railway, is 372,000 *l.* per annum.

In order to terminate the present contract a notice of 24 calendar months was required.

Accordingly on the 25th July 1885 my Lords requested the Postmaster General to give the Peninsular and Oriental Steam Navigation Company notice to discontinue the present service at the conclusion of their contract.

At the same time their Lordships desired that alternative tenders should be prepared for—

1. A service once a week between Brindisi and Alexandria, at an average speed, exclusive of stoppages, of 13½ knots an hour on the section between Brindisi and Alexandria, and 12 or 12½ knots an hour between Suez and Bombay, the vessels to call at Aden in both directions.

2. A like service substituting, at the option of the Postmaster General, the port of Salonica for the port of Brindisi.

3. A service once a fortnight between Suez and Shanghai, the vessels calling in both directions at Aden, Colombo, Penang, Singapore, and Hong-Kong, at an average speed of 11 knots an hour, exclusive of stoppages.

4. A service once a fortnight between Suez and Singapore, the vessels calling in both directions at Aden, Colombo, and Penang, at an average speed of 11 knots an hour, exclusive of stoppages.

5. A service once a fortnight between Coal Harbour, Vancouver, and Hong Kong, the vessels to call in both directions at Yokohama in Japan, at an average speed of 11 knots an hour, exclusive of stoppages.

The tenders in each case to specify the payment demanded for a contract of five, six, or seven years' duration, subject to any reservations which the Postmaster General might desire to make.

The Postmaster General submitted, on the 11th September 1885, the necessary forms of tender to the Treasury, and the forms were by the Treasury communicated to the Admiralty, India Office, and Colonial Office.

Subject to slight modifications suggested by the Admiralty, as to the cost of maintaining a speed of 12 knots in cases where 11 knots were specified, the conditions were approved by the Departments consulted, and the Postmaster General was, on 13th October 1885, authorised to call for tenders accordingly, such tenders to be sent in by the 31st March 1886.

The tenders received were duly transmitted to the Treasury by the Postmaster General on 8th April 1886.

They were as follows:—

1. Six from the Peninsular and Oriental Steam Navigation Company, for services varying in character as to the route of conveyance, rates of speed, and subsidy required.

2. Seven from Mr. A. Holt, manager of the Ocean Steamship Company, of Liverpool, varying in like manner.

3. One from the Canadian Pacific Railway Company, for a service between Vancouver (Coal Harbour) and Hong Kong, with a branch line between Yokohama and Shanghai.

The tenders of the Peninsular and Oriental Company, Nos. 1 and 2, are for a service *viâ* the Suez Canal, whilst their other four are by railway across Egypt, according to the present arrangement. For a seven years' contract with non-absolute penalties, the amounts demanded vary from 300,000*l.* to 370,000*l.* per annum, subject to a deduction of 25,000 *l.* per annum in each case if the contract be extended to 10 years.

The term "non-absolute penalties" means that penalties for delay on each voyage instead of being absolute shall not be payable when it is proved to the Postmaster General's satisfaction that the contractors are not to blame for the delay.

Mr. Holt asks, on the basis of seven years' contracts and of non-absolute penalties, from 145,000 *l.* to 165,000 *l.* per annum for a weekly service between Brindisi and Bombay, at the rates of speed indicated by the Post Office, with abatements for lower rates.

For the China service he demands a minimum of 110,000 *l.* and a maximum of 132,000 *l.*, at the speed demanded by the Post Office, subject to a reduction for a diminished rate, and an increase for a higher rate.

For a service between Suez and Singapore at 11 knots, and non-absolute penalties, Mr. Holt makes two offers, 83,000 *l.* and 99,500 *l.* per annum, with an abatement or increase according to speed.

He also tenders for a service between Vancouver and Hong Kong, at 11 knots, for 108,000 *l.*, with abatement or increase as above; further abatement of 1¼ per cent. is offered for modification of the conditions as to Government passengers.

On certain advanced terms of payment, he is ready to undertake a service twice a week between Brindisi and Bombay.

In addition to these tenders, Mr. Holt states that he is ready to perform a weekly service from Aden to Singapore, calling at Colombo and Penang, and *vice versâ*, at 10 knots an hour, for 26,000 *l.* per annum, or fortnightly for 13,000 *l.* per annum, on condition that he may employ his present steamers.

Lastly, he offers, if his tenders are accepted, the use of his steamers without further charge for the conveyance of mail matter over the whole route.

The Canadian Pacific Railway Company offers a sea service between Vancouver and Hong Kong, with a branch line between Yokohama and Shanghai, at a higher rate of speed than that called for by the Post Office; a railway service through Canada free of cost, and certain advantages as to the conveyance of troops and Government stores. The subsidy asked is 60,000 *l.* for a service once a month from 1st May 1887, to 30th April 1888, and 100,000 *l.* for a fortnightly service for the ten following years.

The Postmaster General makes the following comparison between the offers of the Peninsular and Oriental Company's tender and of Mr. Holt's for a complete service to India and China.

P. and O.
Speed—
12·50 knots Brindisi and Port Said.
12·54 knots Suez and Bombay.
11·20 knots Suez and Shanghai.

Mr. Holt.
13·50 knots Brindisi and Alexandria.
12·50 knots Suez and Bombay.
11 knots Suez and Shanghai.

He takes the Peninsular and Oriental Company's tender No. 1 to Bombay and Shanghai *viâ* the Canal at 300,000 *l.*, and compares it with Mr. Holt's tender A No. 1, Brindisi to Bombay, at 177,500 *l.*, and his B No. 1, Suez to Shanghai, at 142,000 *l.* These sums, together, make a total of 319,500 *l.*, but, deducting 22,500 *l.* for non-absolute penalties, the result is a subsidy of 297,000 *l.*

The Postmaster General is, however, not in favour of the system of "non-absolute penalties" in the case of an untried contractor, so that, were Mr. Holt's proposal to be accepted, it would be necessary to fall back on his full offer of 319,500 *l.* per annum.

Mr. Holt's alternative offers at a somewhat reduced speed and subsidy are inadmissible, as in making his calculations he has arranged for the arrival of his vessels at Alexandria at 7 p.m. and 10 p.m. respectively—hours at which, the Postmaster General is informed, it would be impossible for a mail steamer to enter that port.

With respect to Mr. Holt's modified schemes, the conditions he has inserted are peculiar, embracing a provision for not carrying passengers, surgeons, or cargo, and for not using ships over 900 tons.

Mr. Holt is prepared to take lower prices for a term exceeding seven years. He gives no figures bearing on that point, so that a definite comparison cannot be made between his offer and that of the Peninsular and Oriental Company.

On

On the whole, the Postmaster General prefers the Peninsular and Oriental Steam Navigation Company's tender No. 1 as not only the cheapest but as affording a perfectly satisfactory, though not the quickest, service.

It would give a service between London and Bombay shorter than at present by one day on the outward, and one day seven hours on the homeward journey, and it would also shorten the transit between London and Shanghai by one day eight hours outward, and one day nineteen hours homeward. There would be a reduction of 60,000 *l.* per annum on the present payment to the contractors, and, moreover, a saving of 12,000 *l.* per annum now paid for transit by railway through Egypt; a payment which would have to be continued under Mr. Holt's tender.

The service through the Canal, besides effecting the saving above mentioned, would be free from complications and delays such as have occurred at periods when quarantine has been imposed either by Italy or Egypt.

No serious obstructions are apprehended in consequence of the adoption of the Canal route for the Eastern mails.

The Postmaster General does not think it desirable to alter the existing China mail service, and in that view the Hong Kong Chamber of Commerce concur.

Another important point to which the Postmaster General draws special attention is the Peninsular and Oriental Company's offer to reduce their subsidy by 25,000 *l.* per annum on any of their tenders in the event of a contract being made with them for 10 years instead of seven.

The tenders were communicated to the India Office and Colonial Office by the Treasury letter of 12th April 1886.

After considering the different plans set forth in the tenders, the Indian Government urged the expediency of obtaining a service which should ensure the delivery of the Indian mails in 16 days. The colonies of Hong Kong and Ceylon were in favour of the Peninsular and Oriental Company's tender No. 1, whilst the Straits Settlements preferred tender No. 2 from the same Company, as affording a more rapid service on the China line.

The Treasury then directed negotiations to be opened with the Peninsular and Oriental Company, with a view to meet the wishes of the Indian Government and, if possible, to obtain some reduction of the amounts demanded as subsidy. The Company were asked to state, whether in consideration of some reduction in speed and of other arrangements which, it was thought, might suit their convenience, they would make an abatement on their tender No. 5, or whether they would, if the amounts demanded under tender No. 1 were slightly increased, be prepared to add sufficiently to the speed of their vessels to comply with the requirements of the Indian Government for a 16 days' service between London and Bombay.

The Peninsular and Oriental Company, in reply, offered to make an abatement on their tender No. 5 (which provided for the delivery of the Bombay mails within 16 days), from 335,000 *l.* per annum to 315,000 *l.*, or to reduce their tender No. 1 from 275,000 *l.* to 265,000 *l.*, the term of contract in either case being 10 years. But they stated that they were unable to provide for the necessary increase of speed under tender No. 1, except at a largely increased rate of payment.

My Lords, for the reasons given above, agree with the Postmaster General in preferring the tender of the Peninsular and Oriental Company No. 1, to either of those of Mr. Holt, and they concur in his view that the service thus provided, though not fully meeting the wishes of the Indian Government for a 16 days' service, affords a sufficiently rapid transit for the mails, whilst its adoption would save so considerable a sum as to more than counterbalance the slight difference in speed.

The Secretary of State for the Colonies, on behalf of the Eastern Colonies, is satisfied with tender No. 1.

The service to China, offered by the Canadian Pacific Railway Company, is not recommended by the Postmaster General, or by the Chamber of Commerce of Hong Kong; moreover, any payment made for this service would be absolutely additional, as the payment to be made to the Peninsular and Oriental

Company would remain the same, even if the China mails were sent by another route.

My Lords, after carefully weighing these considerations, decided to direct the Postmaster General to cause a contract to be drawn up generally carrying out the provisions of the Peninsular and Oriental Company's tender No. 1 for a term of 10 years, at a subsidy of 265,000 *l.* per annum. This will effect a saving of no less a sum than 107,000 *l.* a year over the present payment for the India and China Mail Service.

The contract provides—

1st. For a weekly service between Brindisi and Bombay, *viâ* the Suez Canal, calling at Aden. Time from London to Bombay, $16^d\ 15^h\ 45^m$, in lieu of $17^d\ 15^h\ 45^m$ allowed under the old contract; from Bombay to London, $16^d\ 17^h\ 30^m$ in lieu of $18^d\ 0^h\ 30^m$ allowed under the old contract.

2nd. For a service every alternate week between Suez or Aden and Shanghai, serving intermediately Ceylon, the Straits Settlements, and Hong Kong. Time from London to Shanghai, $37^d\ 13^h\ 45^m$, in lieu of $38^d\ 21^h\ 45^m$ as now, and from Shanghai to London $38^d\ 15^h\ 30^m$ in lieu of $40^d\ 10^h\ 30^m$.

3rd. If required by the Postmaster General, the contractors undertake to transfer the Mail Service from Brindisi to Salonica as the European port of arrival and departure.

4th. In the event of war or disturbance on the Continent of Europe, the contractors will so arrange the Mail Service as to meet the exigencies of the situation.

5th. Accommodation for sorting of mails is to be provided on board contract packets used on the Bombay line, and also on the packets employed between Penang and Singapore, and between Singapore and Hong Kong.

6th. Deductions are to be made for overtime in the voyage, unless caused by circumstances beyond control; and a general penalty of 40,000 *l.* is provided in case of failure to fulfil the contract.

POST OFFICE MAIL CONTRACTS (EAST INDIA AND CHINA).

COPY of a **Contract**, dated 18th March 1887, for the Conveyance of the **East India** and **China Mails**, together with a **Copy** of the **Minute** of the **Treasury** with regard thereto.

(*Mr. Jackson.*)

Ordered, by The House of Commons, *to be Printed,*
21 *March* 1887.

LONDON:
PRINTED BY HENRY HANSARD AND SON;
AND
Published by EYRE and SPOTTISWOODE, East Harding-street, London, E.C.,
and 32, Abingdon-street, Westminster, S.W.;
ADAM and CHARLES BLACK, North Bridge, Edinburgh;
and HODGES, FIGGIS, and Co., 104, Grafton-street, Dublin.

87. [*Price* 2½*d.*] *Under* 2 *oz.*
H.—5. 4. 87.

BOMBAY BRANCH
OF THE
Royal Asiatic Society.
CLASS 321

EAST INDIA (HORSE-BREEDING).

RETURN to an Address of the Honourable The House of Commons, dated 22 August 1887 ;—*for*,

"COPY of the ANNUAL ADMINISTRATION REPORT on HORSE-BREEDING OPERATIONS in the BENGAL and BOMBAY PRESIDENCIES, for Official Years 1884-5, and 1885-6, omitting the MAPS and APPENDICES 6 to 17, inclusive."

India Office,
9 September 1887.

JOHN E. GORST,
Under Secretary of State for India.

(Mr. Burdett-Coutts.)

Ordered, by The House of Commons, *to be Printed,*
9 September 1887.

LONDON:
PRINTED BY HENRY HANSARD AND SON;
AND
Published by EYRE and SPOTTISWOODE, East Harding-street, London, E.C., and 32, Abingdon-street, Westminster, S.W.;
ADAM and CHARLES BLACK, North Bridge, Edinburgh;
and HODGES, FIGGIS, and Co., 104, Grafton-street, Dublin.

COPY of the ANNUAL ADMINISTRATION REPORT on HORSE-BREEDING OPERATIONS in the BENGAL and BOMBAY PRESIDENCIES, for Official Years 1884-5 and 1885-6.

DEPARTMENT OF HORSE-BREEDING OPERATIONS.

ANNUAL ADMINISTRATION REPORT of the BENGAL and BOMBAY PRESIDENCIES, for the Official Year 1884-85.

Officers

DURING the year under review the following officers were employed, as noted, in the Department:—

Inspecting Veterinary Surgeon J. H. B. Hallen, General Superintendent, Horse-Breeding Operations in India.
Veterinary Surgeon J. K. Grainger, Officiating Superintendent, Horse-Breeding Operations, Bombay Presidency.
First Class Veterinary Surgeon B. L. Glover, Assistant Superintendent, Horse-Breeding Operations, North-Western Provinces and Rajputana.
First Class Veterinary Surgeon (now Inspecting Veterinary Surgeon) J. Anderson, Assistant Superintendent, Horse-Breeding Operations, Panjáb.

Mr. Lamb, Superintendent, Horse-Breeding Operations, Bombay Presidency, remains on furlough until May 1886.

HORSE-BREEDING OPERATIONS.

Stallions; number of.

2. At the close of last year the number of stallions employed was as follows:—

	Bengal Presidency.	Bombay Presidency.
Thoroughbred English	69	6
Half-bred English and Norfolk Trotters	136	10
Australian	2	1
Arab	71	61
Persian	1	—
Stud bred	29	—
Pegu	—	1
TOTAL	308	79

Increase; received during the year.

3. During the year stallions have been received as follows:—

Whence received.	Class of Stallion.	Bengal Presidency.	Bombay Presidency.
From England	Thoroughbred English	4	2
	Norfolk Trotters	10	2
By purchase in India	Australian	3	—
	Arab	10	10
	Turkoman	2	—
From Remount Department	Reserved colts	1	—
Presented to Government	Arab	—	1
	TOTAL	30	15

4. The

4. The 14 English horses furnished by the Right Honourable the Secretary of State arrived safely in Bombay, and were forwarded in due course to the depôt at Hapur (Babugarh). All were approved, and are now employed in the breeding districts; so likewise are the three Walers, 10 Arabs, and two Turkoman stallions purchased in India.

Decrease; casualties.

5. On Appendix I. are given the number and percentage of casualties of stallions. It will be observed that only four deaths occurred in Bengal, which must be accepted as a very low rate of mortality (1·27 per cent.). In Bombay the number of deaths was five; and five of the nine deaths arose from colic and inflammation of the bowels (*vide* Appendix II.).

6. On the following table are shown the percentage of casualties in this and the previous year:—

		1884-85.	1883-84.
Deaths	Bengal	1·27	2·92
	Bombay	6·66	5·06
Destroyed	Bengal	3·83	1·94
	Bombay	8·00	Nil.
General average	Bengal	5·11	4·87
	Bombay	14·66	5·06

Sales and transfers.

7. The following sales of stallions took place during the year, as shown in Appendix III.:—

	Bengal Presidency.	Bombay Presidency.
Thoroughbred English	1	—
Norfolk Trotters	5	—
Arabs	2	8

One reserved colt was returned as unfit for stud purposes, for disposal in the Remount Department.

Number of stallions present.

8. At the close of the year under report the following stallions were present:—

	Bengal Presidency.	Bombay Presidency.
Thoroughbred English	69	8
Half-bred English and Norfolk Trotters	137	11
Australian	5	1
Arab	75	55
Persian	1	—
Stud-bred	24	—
Turkoman	2	—
TOTAL	313	75

Classification.

9. The above horses are classified and distributed as shown in Appendix IV. The classification has been made by the Officiating Superintendent in the Bombay Presidency and the Assistant Superintendents in Bengal. Briefly, the classification is as follows:—

	Bengal Presidency.	Bombay Presidency.
Very good	107	38
Good	189	24
Fair	65	10
Bad	2	1
Not seen	—	2
TOTAL	313	75

The three reported as "bad" have been disposed of.

10. During

10. During the last nine years the distribution of stallions has been as follows:— Distribution.

Presidency.	Province.	1876-77.	1877-78.	1878-79.	1879-80.	1880-81.	1881-82.	1882-83.	1883-84.	1884-85.
Bengal	North-Western Provinces	152	160	194	148	144	148	107	116	125
	Rajputana	2	7	7	5	5	6	6	2	—
	Panjáb	127	136	123	156	165	161	184	190	188
	TOTAL	281	303	324	309	314	315	297	308	313
Bombay	Deccan	—	—	27	41	40	45	47	41	37
	Gujrat and Kathiawar	—	—	17	22	20	24	20	18	18
	Sind and Cutch	—	—	12	12	9	9	13	16	17
	Biluchistan	—	—	—	—	—	—	—	4	3
	TOTAL	—	—	56	75	69	78	80	79	75

11. Though the strength of stallions is shown as 313 in Bengal and 75 in Bombay, the actual number at service was 277 in Bengal and 63 in Bombay; the balance consisted of horses either temporarily unfit or unacclimatised. Strength of stallions.

12. In letter marginally noted it was requested that the following stallions be supplied from England next trooping season (1885-86):— Future supply of stallions.

No. 41, M.D., dated 28th July 1885, to Secretary to Government of India, Military Department.

	Thoroughbred English.	Norfolk Trotters.	TOTAL.
For Bengal Presidency	12	8	20
For Bombay Presidency	6	—	6
TOTAL	18	8	26

13. With reference to paragraphs 23, 24, and 25 of last year's Annual Report, regarding the comparative merits of stallions employed, and the fields available for obtaining them, I have addressed* the Government of India as follows:— Comparative merits of stallions.

* No. 77, M.D., dated 10th December 1884, to Secretary to Government of India, Military Department.

"Referring to your Department Memorandum, No. 1278, S.D., dated 17th October 1884, with enclosures marginally noted, herewith returned, I have the honour to report that I quite concur with Lieutenant General A. R. Thornhill's opinion, expressed in the latter part of paragraph 13 of his letter above noted, that in purchasing yearlings the advantages are that the successes are genuine animals with constitutions unaffected by over training. The disadvantages are that the failures (and failures there must be) can only be disposed of at auction at a sacrifice.

Letter from General Thornhill, 15th July 1884.
Ditto - - ditto - - 29th - ditto.
Ditto - - ditto - - 9th - ditto.
Ditto - Secretary of State for India, No. 224, paragraph 7, dated 28th August 1884.

"I believe it will be wiser to purchase, as a rule, only stallions of a mature age, and of whose make and shape we can be sure of, as in buying yearlings it must be always uncertain how they will turn out.

"But if Lieutenant General Thornhill has an opportunity of obtaining thoroughbred colts nearly two years of age, and thus still yearlings, and he has every hope of the animals, by their general appearance, proving of the desired stamp for Indian stud work, one or two of such colts might be annually bought.

"Thoroughbred colts, forced as they generally are in England by high feeding, when nearly two years of age, can be fairly judged as to their likelihood of proving suitable; but to form an opinion of a colt of 12 to 18 months old, as to how he will eventually prove, is not an easy matter.

"I know that Lieutenant General Thornhill is most zealous in endeavouring to obtain thoroughbreds of great power and large bone, and of not too great height, a class of stallions which is easily pictured, but not easily found; still I can but repeat my earnest suggestion that only thoroughbred horses with deep barrels, broad chests, and stout legs, possessing great bone, especially that stand square on their legs, and do not turn their fore toes out in action, be

sent out to India; indeed only thoroughbreds of weight carrying hunter stamp and of good bone are the kind of thoroughbreds required. I am aware that such horses can be seldom found, as they are generally castrated and used for hunting purposes; still I do urge that such thoroughbred stallions be sent out.

"I do not advocate obtaining any half or three-quarter bred horses for our stud work, as from their pedigree their produce would be uncertain. It is different with Norfolk Trotter horses. They have become, from steadily pursued breeding for many generations, a distinct class and stamp, and can, as a rule, be depended upon in getting stock after their own stamp. The blood of the Norfolk Trotter is now only touched when a fresh supply of thoroughbred blood is infused as required.

"I avail myself of this opportunity of suggesting that only very well-bred-looking trotters be purchased for India. It is true that sometimes the larger and coarser trotters have been from smaller parents showing more blood, but in order for the Norfolk Trotter to be fully appreciated in India he must show blood, have a good barrel and action, with short well-boned legs, and, though last not least, have a well-bred silky coat with not much hair, and that not woolly, on his legs.

"In former reports I have often recorded that the stock of thoroughbred English stallions out of country mares is generally leggy and small in legs. The thoroughbred sires that do get good-limbed stock are very few; hence my having so often recommended that only stout large-limbed thoroughbreds be supplied, and I have solicited that Norfolk Trotters sent be well-bred and not too large, say from 15 hands to 15 hands 1 inch in height.

"I find on my return from England, after 18 months' absence, it has been stated that the Norfolk Trotter blood is proving coarse in the second generation. If such be the case this can be easily remedied by the infusion of Arab blood, which will be better for the purpose than thoroughbred English.

"The great improvement effected in the stamp of horses in India by the importation of Norfolk Trotter sires is universally admitted; I therefore urge that the supply of this class, as required, should be continued, and again I would repeat that only short-legged stout thoroughbreds, standing square on their limbs, be sent out.

"One more point I solicit that Lieutenant General Thornhill's attention may be invited to, viz., not to send stallions with their tails docked. A horse with a docked tail becomes, during the hot and rainy seasons, tormented with flies, and having a short tail cannot whisk them away, and when a docked horse is in the districts, the sheath or penis itself sometimes becomes fly-blown and affected with maggots, causing unhealthy sores, which have in several cases rendered stallions temporarily useless, and in two instances permanently unfit for stud purposes.

"It must be remembered that the only classes of suitable stallions obtainable are, —

I. Thoroughbred English;	III. Arabs;
II. Norfolk Trotters;	IV. Walers;

and probably from now, country-breds.

"The difficulty in finding suitable thoroughbreds is acknowledged; Norfolk Trotters of the required stamp can be obtained; really stout Arabs of good caste, power, well-boned limbs, are scarce; Walers fit for stud work are not often imported, and it may be surmised that entire thoroughbreds of the right stamp are not often met with in Australia, or importers doubtless would have brought them for sale in the Calcutta and Madras markets; still I believe that some stallions of the required shape and make might be obtained thence, though there would be some doubt as regards their pedigree.

"It therefore remains that the most suitable stallions of these different classes that can be secured should be supplied. A perfectly-made horse may be seen once in a lifetime; but, judging from what is written on the subject, it might be supposed that horses, like bullets, can be turned out from a mould."

Cost of keep, &c.

14. In Appendix V. the total cost per annum of feeding, including road expenses attendant upon transfers, construction and repairs of district stables, cost of stable gear, &c., of stallions in the Bengal and Bombay Presidencies, is noted.

noted. The general average during the last eight years is found to be as follows:—

Presidency.	In 1877-78.	In 1878-79.	In 1879-80.	In 1880-81.	In 1881-82.	In 1882-83.	In 1883-84.	In 1884-85.
	Rs. a. p.	*Rs. a. p.*	*Rs. a. p.*	*Rs. a. p.*	*Rs. a. p.*	*Rs. a. p.*	*Rs. a. p.*	*Rs. a. p.*
Bengal - - -	253 5 2	286 - 3	290 2 4	270 11 11	235 10 11	232 2 2	232 8 9	228 13 3
Bombay -	- -	442 9 -	358 5 -	301 1 -	272 8 7	285 9 11	319 10 8	339 5 3

It will be observed that, while there has been a decrease in cost in North-Western Provinces and Rajputana, the rate in the Panjáb remains steady. In the Bombay Presidency an increase of *Rs.* 19. 10. 7. per stallion is shown, and is attributed to enhanced rates of forage in some districts, and to more numerous transfers of horses. I consider that the rates, on the whole, may be accepted as moderate.

15. Instead of showing, as in former years, the maps of horse and mule-breeding operations as Appendices, they will be found in a pocket of the cover of each copy of this Report. The depôt and district stallions' stables are marked on the maps; horse stands in red, and donkey stands in green; thus, at a glance, the area of horse and mule-breeding operations can be seen. **Maps of horse-breeding operations.**

16. The number and classes of the several kinds of horse stallions, and the number of branded mares in each district, will be found recorded as an Index to the map in Appendix VI. Similarly, in Appendix VII. will be found particulars regarding the number and classes of donkey stallions employed.

17. At the close of the official year 1883-84 there were 14,559 branded mares for horse-breeding in the Bengal Presidency, and 2,449 for horse and pony-breeding in the Bombay Presidency. An abstract of the above gives the following figures:— **Branded mares; number of.**

Bengal Presidency - -	North-Western Provinces -	4,323	
	Panjáb - - - -	10,236	
			14,559
Bombay Presidency - -	Deccan - - - -	729	
	Gujarat and Kathiawar -	959	
	Sind and Cutch - - -	682	
	Biluchistan - - -	79	
			2,449

18. During the year 1884-85 more mares were branded, as noted below:—

Bengal Presidency - -	North-Western Provinces -	904	
	Panjáb - - - -	1,644	
			2,548
Bombay Presidency - -	Deccan - - - -	68	
	Gujarat and Kathiawar -	350	
	Sind and Cutch - - -	173	
			591

In the Panjáb 193 branded mares were received by transfer from other districts.

19. Branded mares have been struck off the registers for the reasons noted below :—

	Bengal.	Bombay.
Died - - - - - - -	559	17
Sold - - - - - - -	311	5
Stolen - - - - - -	23	—
TOTAL - - -	893	22

20. On the 31st March 1885 the number of branded mares remaining on the registers, as shown in Appendix VIII., was as follows :—

Bengal Presidency - -	North-Western Provinces -	5,657	
	Panjáb - - - - -	10,750	
			16,407
Bombay Presidency -	Deccan - - - -	776	
	Gujarat and Kathiawar -	1,308	
	Sind and Cutch - - -	855	
	Biluchistan - - -	79	
			3,018

Total number of mares inspected.

21. Referring to paragraph 38 of last year's Report, an Appendix was given showing the total number of mares inspected, approved, and branded since the system of branding was commenced. I do not consider it necessary to any longer continue furnishing this statement.

Progress in horse-breeding.

22. The executive officers of the Department, in their reports on the several districts, with reference to the progress or otherwise in horse-breeding, note to the following effect. Mr. Glover, the Assistant Superintendent, Horse-Breeding Operations, North-Western Provinces and Rajputana, states: "Horse-breeding is progressing satisfactorily in the districts of Bulandshahr, Meerut, Muzaffarnagar, Saháranpur; and, owing to improvement during the year under report, Aligarh may now be placed in that category. The districts most backward are Muttra, Agra, Etah, Moradabad, Budaun, Bijnor, Bareilly, and Sháhjahánpur; and more particularly so, Bareilly and Sháhjahánpur. The majority of these latter districts cannot, from many circumstances connected with them, ever hope to become such horse-breeding districts as Meerut, Muzaffarnagar, or Saháranpur; nevertheless, horse-breeding in them can be greatly improved and extended if the same support and encouragement is given to the industry by district authorities as is awarded to other pursuits, agricultural and industrial."

23. The Annual Report of Horse and Mule Breeding Operations in the Panjáb for 1884-85 has not been received, as noted in my letter marginally quoted; but by information gleaned from reports on district fairs and shows it appears that in the Kulu, Kohat, Bannu, Montgomery, and Peshawar districts horse and mule breeding are not progressing; but I believe that by steadily supporting these districts and receiving the hearty co-operation of the district officers, moreover, in the case of the Montgomery district, by instituting an annual horse show, &c., as proposed by Mr. Gladstone, C.S., when Deputy Commissioner of the district, much may yet be done in developing both horse and mule breeding.

No. 74, M.D., dated 25th January 1886, to Secretary to Government of India, Military Department.

24. The Officiating Superintendent has recorded in the Annual Report of Horse-Breeding Operations of the Bombay Presidency the progress or otherwise that has taken place, and, referring to Bombay Government Resolution on the Report,

report,* I am of opinion that Mr. Grainger should have given more of his time during the year to breeding districts in the British territory, and less to foreign provinces. Moreover, on referring to Appendix XXI. of his report, I can but arrive at the opinion that he might have covered more ground during the year. The climate of the Deccan, during the monsoon, is at times very favourable for touring, and I observe that from April to November 1884 the only inspecting duty recorded as having been effected was attending, during September, the Horse Show at Poona. I have therefore suggested to Mr. Grainger that he should endeavour to utilize his time in a more satisfactory manner.

* Bombay Government, Revenue Department, No. 6004, dated 25th July 1885.

25. The fact of district officers having recorded that some of the breeding districts in Bombay have not been visited by the Officiating Superintendent should act as an incentive to Mr. Grainger to endeavour, if possible, to no longer leave any district unvisited.

Para. 2, letter No. 8885, of 31st October 1885, from Under Secretary to Government of Bombay, Revenue Department, to Secretary to Government of India, Military Department.

26. The Officiating Superintendent refers to the aid afforded him by the civil officers in Palanpur, Kaira, Cutch, Sind, and Ahmadabad, during his tour of inspection, and notes that his Highness the Rao at Mundra intends holding an annual horse show in that district, and states that Colonels Phillips and Goodfellow of the Political Agency of Cutch take the greatest interest in developing horse-breeding.

27. Care is exercised with the view of raising the standard of mares, and with reference to this subject a circular letter* has been addressed to the Assistant Superintendents, Horse-breeding Operations, in Bengal as follows:— Standard of mares.

* No. 130 A.N. and 122 A.P., dated 13th July 1885.

"Mares less than 14 hands 2 inches in height are not to be branded with the Government brands (V. I. or B. M.) unless they are specially superior. Any mare, under the undermentioned standard height, that may be branded should be reported to the office of the General Superintendent, Horse-breeding Operations in India, giving a register and full description of mare and reasons why she has been branded.

"In districts where Government stallions have been supplied for not less than six years, only the mares or fillies got by Government stallions are to be branded, excepting any very superior country mares, or Walers, or others of foreign blood, and considered in every point fit for the brand. Thus, by carefully acting on the lines above indicated, the stamp of mare will gradually improve; indeed, the broad mares will be of the improved stock, and so every succeeding generation will prove of superior stamp. It is gratifying to find, in many districts, breeders becoming aware of the good to be derived by keeping fillies of improved stamp for brood work; but some men, instead of retaining any of their fillies by Government stallions, are selling them and bringing common country mares for the brand. It is to prevent these malpractices that this order is now issued, and it is directed that it may be most strictly acted up to."

I have pleasure in recording my belief that the standard is being gradually improved, and that more fillies out of branded mares by Government stallions are annually being branded for brood purposes.

28. The number of mares covered by Government stallions during the last seven years is stated to have been as follows:— Number of mares covered.

YEAR.	Bengal Presidency.	Bombay Presidency.
1878-79	4,260	1,825
1879-80	5,145	1,881
1880-81	6,005	2,185
1881-82	7,020	2,403
1882-83	8,357	2,508
1883-84	9,280	1,792
1884-85	9,984	1,884

Thus, a steady increase is shown in Bengal and an improvement in Bombay.

 29. In

29. In Bengal the number of stallions employed was 277 against 284 last year. The general average of mares covered, as shown in Appendix, IX, is –

In North Western Provinces - - - - - - -	41·58
In Punjab - - - - - - - - - - -	33·00
In the Bombay Presidency - - - - - - - -	29·88

The Assistant Superintendent, Horse-breeding Operations, North-Western Provinces and Rajputana, states: "The high average of coverings is sufficient to show thoroughly the stallions have been utilised; and if it, together with the number of brandings and coverings, all of which exceed those of any previous year, are to be taken as any criterion, horse-breeding has certainly made considerable strides during the year under report."

As most careful measures are being adopted to ensure the due registering of coverings in Bengal, it is expected that the percentage of coverings per stallion next year will prove greater. In Bombay the low rate of coverings per horse is attributable to the branding of mares not having been effected in some of the districts, *vide* paragraph 25 above.

Produce. Number of–

30. Last year the general percentage of produce to mares covered in 1882-83 in Bengal was 33·70; this year, to mares covered in 1883-84, it is 33·84 In Bombay 34·16 compared to 24·09 last year. Mr. Glover, in his report on the North-Western Provinces, states: "The foalings of the year have also proved satisfactory, and show about the ordinary proportion to the number of coverings of which they are the result. 1,155 foals, or an increase over last year of 202, were dropped during the year in the North-Western Provinces circles, these being the result of the previous year's coverings, which number 3,524, or, as is usual, about one-third of the mares covered dropped foals. In Hissar, Rohtak, and Umballa, 116 foalings took place to the 319 coverings of the previous year. The proportion of foalings to coverings has often struck me as not being so good as it ought to be; but, as I have before pointed out, this is accounted for by many mares no doubt being covered when not properly in season, and also very often to the want of a little care and quiet immediately after covering. I again took every opportunity of explaining to breeders the reasons I thought which accounted for many of their mares not proving in foal, and I laid particular stress when talking to them about having their mares in full season before giving them the stallion."

Annual inspection of brood stock.

31. The Assistant Superintendents during the year proceeded on tour in several parts of their respective districts; also attended at all horse fairs and shows held in the provinces within their jurisdiction. Every district was not visited because the Assistant Superintendents have not the time to go to all annually. Referring to this subject, Mr. Glover states, "The only districts of the North-Western Provinces in which horse and mule-breeding operations are carried on, and which were not regularly visited by me on my last cold weather tour, were Bijnor, Budaun, Moradabad, Bareilly, and Sháhjahánpur; consequently these districts will be among the first to receive my attention on my next tour."

32. The Officiating Superintendent, Horse-Breeding Operations, Bombay Presidency, has described in his report the districts of that Presidency which he visited, and the subject has been referred to in paragraphs 24 and 25 above.

Cast mares sold to *bonâ fide* breeders.

33. As noted in Appendix X., 113 cast mares of British Cavalry and Artillery were handed over to the department and sold by auction to *bonâ fide* horse and mule-breeders at the prices recorded.

34. This department has recommended* that it is not advisable to continue selling by auction cast mares to breeders, for several reasons, the chief being that now many improved fillies and mares can be bought by breeders in the ordinary market, in fact that there is now no scarcity of mares

* No. 80 M.D., dated 13th December 1884, to Secretary to Government of India, Military Department.

and

and many of the cast mares recently sold have, it is believed, not been kept for breeding purposes. The Government of India have accordingly ordered the discontinuance of sales of cast mares by this department to breeders.*

* No. 85 D., dated 13th January 1885, from Secretary to Government of India, Military Department.

35. The number of country-bred remounts purchased during the year will be found in Appendix XI. Briefly it may be stated thus :— Number of country bred Remounts purchased.

	Bengal Presidency.	Bombay Presidency.
Army Remount Department	130	—
Bengal Native Cavalry	926	—
Panjab Native Cavalry	250	—
Police Department	65	231
Bombay Native Cavalry		55
TOTAL	1,371	286

Of the 1,657 purchased, 574 were entires, 406 geldings and 677 mares and fillies. Of the geldings, 392 were purchased in Bengal, and only 14 in the Bombay Presidency. It is satisfactory to find that nearly the same number of geldings as horses were purchased; and taking the entires and geldings together, viz., 980, it is gratifying to be thus practically assured that many improved fillies are now reserved for brood purposes, as only 677 mares and fillies were sold for army work.

36. In former reports the fact of the pedigrees of many remounts purchased not being obtained and recorded has been brought to notice, and now I regret to have to state that the pedigrees of 907 remounts purchased last year are noted as "Not known." As certificates containing the pedigree of every colt and filly by Government stallions are invariably given to every owner of a mare covered by a Government stallion, remount purchasers should be enjoined to always ask for the certificate of every colt and filly said to be by a Government horse, in order that the classes of sires that produce the most remounts may become known. Pedigrees of Remounts.

37. I have addressed* the Adjutant-General of the Army on this subject, soliciting that his Excellency the Commander-in-Chief in India may be pleased to direct purchasing officers to be most careful in endeavouring to obtain certificates of birth which contain the pedigree of every head of stock got by Government stallions. Again, in order that regimental officers may form an opinion of the relative worth of different classes of remounts got by Government stallions, I have requested† the Director of Army Remount Operations for India to direct that the pedigree of remounts, as obtained, may be noted on the registers when the horses are issued to corps and batteries.

* No. 490 M., dated 13th February 1886, to Adjutant-General in India.

† No. 17 D., dated 2nd March 1886, to Director of Army Remount Operations for India.

38. It is believed, from the reports of purchasing officers, that the general opinion prevails that country-bred remounts obtained are annually improving in stamp, and that now very superior animals are obtainable. The good prices given, not only by remount officers but by the public, offer proof that better animals are secured. Country-breds are now taken to the Calcutta market, and the improvement in the quality of the stock is there acknowledged Improvement of horse stock

Metropolitan horse fairs and district horse shows of 1884–85.

39. The following metropolitan horse fairs and district horse shows have been held during the year, and the amounts specified were granted in prizes by the Imperial Government:—

	Rs.	*a.*	*p.*
NORTH-WESTERN PROVINCES:			
Aligarh Horse Show	1,000	–	–
Batesar Horse Fair	1,194	–	–
Bulandshahr Horse Show	1,250	–	–
Hardwár Horse Fair	1,200	–	–
Nauchandi (Meerut) Horse Show	1,000	–	–
Saháranpur Horse Show	1,000	–	–
PANJAB:			
Amritsar Horse Show	500	–	–
Dera Ghazi Khan Horse Show	2,000	–	–
Gujrat Horse Show	1,000	–	–
Jalalabad Horse Show	600	–	–
Jhang Horse Show	650	–	–
Lahore Horse Show	1,000	–	–
Multan Horse Show	2,000	–	–
Muzaffargarh Horse Show	750	–	–
Rawal Pindi Horse Fair	2,000	–	–
Rohtak Horse Show	300	–	–
Shahpur Horse Show	750	–	–
RAJPUTANA.			
Pokhur Horse Fair	890	–	–
Tezaji Mule Fair	40	–	–
TOTAL – *Rs.*	19,124	–	–
For the best runs kept up by zemindars	480	12	–
GRAND TOTAL – *Rs.*	19,604	12	–

Details as to numbers and quality of stock exhibited have been given in the Annual Report on Horse Fairs and Shows of 1884-85. It is requested that the latter Report may be attached to this for facility of reference.

40. In the Bombay Presidency prizes were awarded at the undermentioned horse shows as detailed below:—

	Rs.	*a.*	*p.*
Poona	5,602	–	–
Ahmednagar	955	–	–
Rajkot	370	–	–
Shikarpur	4,150	–	–
Hyderabad	3,102	–	–
Ahmedabad	3,601	–	–
TOTAL – *Rs.*	17,780	–	–
Add other expenses incurred	6,705	10	9
GRAND TOTAL – *Rs.*	24,485	10	9

Of the total amount, 8,370 rupees were contributed by the Bombay Government, and the balance granted from local funds and subscriptions, and thus we have proof of the hearty co-operation of district officers, boards and native gentry in the breeding districts of that Presidency.

41. Castration

41. Castration of colts is gradually becoming more commonly practised. The Government salutris have, as a rule, zealously conducted their duties; the number of colts operated on by them during the last nine years has been,— Castration of colts.

	Bengal Pesidency.	Bombay. Presidency.
In 1876-77	38	—
„ 1877-78	122	—
„ 1878-79	255	—
„ 1879-80	425	—
„ 1880-81	551	—
„ 1881-82	782	11
„ 1882-83	913	71
„ 1883-84	950	129
„ 1884-85	1,161	82

As shown in Appendix XII., 211 more castrations last year than the previous year took place in Bengal; but in Bombay 47 less than in 1883-84. The Officiating Superintendent has been enjoined* to adopt measures with the view of inducing owners to have their colts castrated.

* No. 540 M., dated 6th March 1886, to Officiating Superintendent, Horse-breeding Operations, Bombay Presidency.

42. The Assistant Superintendent, Horse-breeding Operations, North-Western Provinces and Rajputana, in his report on this head, states—"Those districts which appear slow in adopting castration are nevertheless progressing, and the districts of Delhi, Agra, and Etah, mentioned in my Annual Administration Report of last year as being the most backward in castration, show improvement, and will, I have no doubt, in time take to it freely. Indeed, nothing can be more satisfactory than the progress of this work in some districts, and I have no doubt but that with good and energetic salutris, castration can be introduced into most districts of these parts; for owners and breeders all over the North-Western Provinces are becoming aware of the fact that a gelding is a more saleable and valuable animal than an entire. More substantial evidence of the increase and growing popularity of castration cannot, I think, be found than in the large increase in the gelding class at all fairs and shows for the year. During 1883-84, two hundred and twenty-two (222) geldings, all told, competed for prizes; whereas for the year 1884-85, three hundred and fifty-six (356) came up, or an increase over last year of 134. The effect of castration on young stock scarcely needs comment, meaning, as it does, improvement in every way, and the large proportion of geldings among the remounts purchased during the year at the fairs and shows of this province is evidence of the fact, and the good result of the number of mares and fillies purchased being correspondingly small, should not be overlooked."

43. The demand on the part of horse owners for the services of castrators becomes greater annually. At the present time several districts are without salutris, as the supply of these men from the Veterinary School at Lahore is not as yet equal to the demand; but I have placed myself in communication with the principal of the school, requesting him to recommend men as soon as qualified for the posts.

44. In paragraph 94 of last year's Report the subject of pony-breeding was referred to by the Assistant Superintendent, Horse-breeding Operations, Punjab, advising that as so many pony mares are now used for mule-breeding, it will become necessary to encourage a continuance of pony-breeding, in order to keep up the required supply of pony mares. Mr. Glover, in his report of this year, refers to this subject as follows:—"Mule-breeding having grown to such unlooked for dimensions, I think the subject of pony-breeding needs consideration; for, except something is done towards keeping up the supply of pony mares, mule-breeding must, of course, itself in time decline. Before the introduction of mule-breeding there was no lack of ponies in these parts, but so many pony mares having become absorbed in mule-breeding, the supply must yearly be growing seriously small. Pony-breeding.

"I would suggest that, instead of increasing our present number of donkey stallions, some pony stallions be obtained; and some arrangements could be come to as regards their serving pony mares, which would not seriously interfere with mule-breeding. Arab and country-bred pony stallions, with perhaps a few waler ponies, would be required, and they could, I think, be purchased for a very small outlay, stallions of superior stamp not being, I think, absolutely necessary."

45. There is much worthy of note in the above remarks, but though mule-breeding has certainly very much spread during the last six or seven years, it must be remembered that many owners of horse and pony mares still object to making them mule breeders; thus a supply of mares to breed mules may be counted on for some time to come; moreover, as mule-breeding is so remunerative, breeders of this class of stock will take care to supply themselves with mares, and so, for the present, a dearth of mule-breeding mares is not so probable as might at first thought be expected. As the mule is so valuable, so will breeders bestir themselves to possess mares to breed mules; hence pony-breeding is not likely to become lost sight of.

MULE-BREEDING OPERATIONS.

Donkey stallions. Number of—

46. On the 31st March 1884 donkey stallions in numbers and breeds were present as follows:—

	Bengal Presidency.	Bombay Presidency.
Spanish	15	1
Arab	111	5
Bokhara	12	1
Panjabi	22	2
Italian	72	3
French	8	—
Persian	31	3
Herati	2	—
Home-bred	8	—
TOTAL	281	15

Increase during the year.

47. During the year under report the undermentioned donkey stallions were received:—

		Bengal Presidency.	Bombay Presidency.
By importation	Italian	24	—
	French	8	—
		32	
Purchased in India	Panjabi	4	—
	Persian	6	—
		10	
TOTAL		42	—

Decrease during the year.

48. Casualties amongst donkey stallions are shown in Appendix XIII. They have been:—

	Bengal Presidency.	Bombay Presidency.
Died	7	—
Destroyed	3	—
TOTAL	10	—

In Appendix XIV. the number of donkey stallions sold is shown, viz., two in Bengal and two in Bombay Presidency.

Number of donkey stallions present.

49. The number of donkey stallions present at the close of the year was:—

	Bengal Presidency.	Bombay Presidency.
Spanish	15	1
Arab	106	3
Bokhara	12	1
Panjabi	24	—
Italian	93	5
French	14	—
Persian	37	3
Herati	2	—
Home-bred	8	—
TOTAL	311	13

50. The

50. The classification of donkey stallions present, as shown in Appendix XV., is as follows :— Classification.

	Bengal Presidency.	Bombay Presidency.
Very good	39	5
Good	175	5
Fair	90	3
Indifferent	3	
Bad	4	—
TOTAL	311	13

51. All the classes produce good mules, but doubtless the best mule getters are the Italians and Catalans. Mr. Glover states—"On the whole the stamp of donkey stallion in use is very satisfactory, and it would be hard to surpass, for the purpose of mule breeding, some of the Italian donkeys." The home-bred donkeys out of Arab mares by Italian jacks are proving remarkably good animals, some being as good as the Italians. Comparative merits of donkey stallions.

52. In Appendix VI. is given the cost of the feed, keep, &c., of donkey stallions in the several districts of the Bengal and Bombay Presidencies, where they have been stationed. The general averages per annum for the last six years are— Cost of feed and keep of donkey stallions.

	Bengal Presidency.	Bombay Presidency.
	Rs. a. p.	*Rs. a. p.*
In 1879–80	181 1 5	Not furnished.
„ 1880–81	141 1 4	- ditto.
„ 1881–82	105 9 2	- ditto.
„ 1882–83	107 11 1	233 9 –½
„ 1883–84	116 3 5	194 4 8
„ 1884–85	119 7 11	240 13 10

The increase in the average of Bengal is due to a greater number of transfers; and in Bombay it is dependent upon higher rates of forage and more numerous transfers.

53. It is satisfactory to find that more pony mares are yearly being brought to the donkey stallions. Last year, in Bengal, 11,153 visited the donkey stallions, and this year 12,551 coverings have been registered. In Bombay there are this year 294 against 209 last year. Pony mares covered.

54. This department encourages donkey mares of good stamp being mated to Government donkey stallions that will not cover pony mares, with the view of improving the breed and obtaining country-bred donkey stallions for mule-breeding. In Bengal 893 donkey mares have been covered by donkey stallions during the year, against 800 last year. Donkey mares covered by donkey stallions.

55. The returns of mule stock, which cannot be considered full and reliable, indicate, as shown in Appendix XVII., that in Bengal 2,799 mules were born this year, compared to 2,042 last year, and that the percentage of mules foaled to mares covered is 25·14 against 28·41 last year. In Bombay only 28 foals are shown as having been born to 119 coverings,—not by any means a satisfactory report, and probably the small number is attributable to owners having allowed their mares to be mated when not in season. Mule stock. Number of—

56. Mr. Lamb having proceeded on furlough on 4th July 1884—*vide* paragraph 113 of last year's Report,—charge of the office of General Superintendent, Horse- Duties performed by officers of the Department.

Horse-breeding Operations, was made over to Mr. Anderson, whose movements during 1884-85 are detailed below :—

1884:			
July	26 to 28	Babugarh	Inspection of depôt and stables.
August	6 „ 8	„	
„	13 „ 15	„	
September	5 „ 8	Bombay	Purchasing stallions.
„	9 „ 13	Poona	
„	14 „ 16	Bombay	
„	17 „ 23	Poona	
„	24 „ 26	Meerut	Returned to headquarters.
October	6 „ 8	Umballa	Purchasing stallions and attending horse fairs and shows.
„	9 „ 12	Rohtak	
„	17 „ 21	Amritsar	
„	27 „ 29	Batesar	
„	30 and 31	Pokhur	
November	1 to 4	Meerut	

57. On the 4th November 1884 I returned to India from furlough and received over charge of the office of General Superintendent, Horse-breeding Operations, from Mr. Anderson on the 5th idem. The places visited by me on tour of inspection duty are shown below, with detail of dates :—

1884:			
November	6 to 10	Bombay	Visiting dealers' stables in Bombay, and inspection of depôt and stables at Babugarh.
„	11 „ 13	Ajmere	
„	14 „ 17	Meerut	
„	18 „	Babugarh	
December	18		
„	19 and 20	Saháranpur	Inspection of depôt and stables at Babugarh and Rawalpindi and tour of inspection.
„	21 to 24	Lahore	
„	25 „ 27	Rawalpindi	
„	28 „ 30	Cawnpore	
1885:			
January	1 to 29	Calcutta	On duty connected with the Department of Horse-breeding Operations.
February	1 „ 3	Babugarh	Attending horse fairs and shows.
„	4 „ 8	Saháranpur	
„	10 „ 13	Aligarh	
„	15 „ 19	Bulandshahr	
„	21 and 22	Multan	
„	23 „ 24	Dera Ghazi Khan	
„	25 „ 26	Muzaffarnagar	
„	27 „ 28	Multan	
March	1 to 6	Jhang	Attending horse fairs and shows and inspection of Babugarh depôt and stables.
„	8 and 9	Gujrat	
„	12 „ 13	Shahpur	
„	14 „ 15	Meerut	
„	22 to 31	Babugarh	

58. Mr. B. L. Glover, Assistant Superintendent, Horse-breeding Operations, North-Western Provinces and Rajputana, reports:—"The districts through which I marched during my tour were Etah, Agra, Muttra, Delhi, Gurgaon, Aligarh, Bulandshahr, Meerut, Muzaffarnagar, Saháranpur, Rohtak, Kurnal, and Umballa and I visited Hissar, Bareilly, and Moradabad by rail. I also attended the Saháranpur, Aligarh, Bulandshahr, and Meerut Horse Shows, as well as the Batesar and Hardwár Metropolitan Horse Fairs. Altogether I was 153 days under canvas, covered a distance by road of 1,396 miles and by rail of 1,370, and in the numbers of days under canvas as above stated, I made 39 halts.

59. The undermentioned horse-breeding districts in the Panjab were visited during 1884-85 by Messrs. Anderson and Nunn. The latter officer officiated as Assistant Superintendent, Horse-breeding Operations, Panjab, during the time

time Mr. Anderson held charge of the office of General Superintendent, Horse-breeding operations :—

Hazara.	Gurdaspur.
Peshawar.	Hoshiarpur.
Bannu.	Jullundur.
Shahpur.	Montgomery.
Gujranwala.	Ferozepur.
Gujrat.	Jhang.
Sialkot.	Dera Ismail Khan.

All the horse fairs and shows in the Panjab were also attended.

60. I have to tender my thanks to the Assistant Superintendents,* Horse-breeding Operations, North-Western Provinces and Rajputana and Panjab, for the zealous manner in which they have conducted their duties.

* Mr. B. L. Glover. Mr. J. Anderson. Mr. J. A. Nunn.

61. To civil officers of districts in which horse-breeding operations are carried on, I have much pleasure in recording thanks, more especially to those of Meerut, Bulandshahr, and Aligarh in the North-Western Provinces, and Dera Ghazi Khan, Muzaffargarh, Jhang, Gujrat, Shahpur, and Amritsar, in the Panjab; and I beg to bring to the notice of the Government of India the names of the following civil officers who have most cordially co-operated in developing the horse and mule-breeding industries in their respective districts :—

F. N. Wright, Esq., C.S. - - - - -	Meerut.
Major T. J. C. Plowden, C.I.E. - - - -	Dera Ghazi Khan.
A. Cadell, Esq., C.S. - - - - -	Aligarh.
J. C. Brown, Esq., C.S. - - - - -	Muzaffargarh.
Major R. T. M. Lang - - - - -	Amritsar.
A. Meredith, Esq., C.S. - - - - -	Gujrat.
M. L. Dames, Esq., C.S. - - - - -	Jhang.
D. F. Addis, Esq., C.S. - - - - -	Bulandshar.
J. W. Gardiner, Esq., C.S. - - - -	Shahpur.

62. In accordance with instructions contained in Military Department letter, No. 781 D., dated 25th March 1880, the original statement, showing the cost (military) of the department during 1884-85, received from the Controller of Military Accounts, and that of the civil charges, received from the Comptroller of India Treasuries, are attached, aggregating *Rs.* 2,80,991-8-3, as detailed below :— Cost of Department during 1884-85.

	Rs.	*a.*	*p.*
A.—Military charges - - - - -	37,404	8	10
B.—Civil charges - - - - - -	2,43,586	15	5
TOTAL - -	2,80,991	8	3

But with reference to the Statement B., furnished by the Comptroller of India Treasuries, it will be observed that the sum of *Rs.* 1,449-8-1 has been included on account of feed and keep of stallions in "Central India." As the stallions in that Agency are not borne on the strength of this department, that amount should be deducted from the charges against the Department of Horse-breeding Operations. The net expenditure during 1884-85, therefore, amounts to *Rs.* 2,79,542-0-2.

63. The total cost in the Bombay Presidency is *Rs.* 57,753-10-3. The expenditure has been divided into two separate heads, as follows : —

	Rs.	*a.*	*p.*
I.—Cost of supervision and establishment -	11,737	14	2
II.—Purchase and keep of stallions, prizes, &c., awarded at horse shows - -	46,015	12	1
TOTAL - -	57,753	10	3

Of the above, the sum of *Rs.* 9,845-1-6 is debited to local funds, *Rs.* 45,881-5-10 to provincial revenues, and 2,027-2-11 to the Biluchistan Agency.

64. The

64. The following facts can be gathered from the above report:—

(*a*) That the number of branded mares on the registers is gradually increasing year by year.

(*b*) That the number of mares covered by Government stallions is yearly increasing.

(*c*) That castration of colts is becoming more generally adopted by the gradual increase in the number of operations.

(*d*) That the health of the Government stallions has been remarkably good, the mortality having been not more than 1·27 per cent. in Bengal.

(*e*) That the horse stock of India is becoming year by year improved.

(*f*) That the remounts obtained have been considered good.

(*g*) That the horses bred are generally acknowledged to be superior.

(*h*) That the enhanced prices realised by country-bred-stock prove their enhanced value.

(*i*) That horse and mule-breeding in most of the districts where they are carried on are found remunerative industries.

(*j*) That the support rendered by Government in supplying the best of stallions obtainable for approved mares, and granting prizes for the mares and stock produced by them, is attended by satisfactory results.

(*k*) That breeders are gradually becoming rearers, is proved by young stock of two to three years of age being now more frequently found in the possession of breeders at fairs and shows.

I trust the Imperial Government will consider that the work of the Department of Horse and Mule-breeding Operations is attended with satisfactory results.

Meerut,
9 March 1886.

J. H. B. Hallen, General Superintendent Horse-breeding Operations in India.

APPENDIX I.

HORSE-BREEDING OPERATIONS.

GENERAL ABSTRACT of Casualties of HORSE STALLIONS in the BENGAL and BOMBAY PRESIDENCIES during the Official Year 1884–85.

Presidency and Provinces.	Died.					Destroyed.					Grand Total.	Average Deaths.	Average of Stallions destroyed.	General Average.
	Thorough-bred English.	Half-bred English, including Norfolk Trotters.	Arab.	Pegu.	Total.	Thorough-bred English.	Half-bred English, including Norfolk Trotters.	Arab.	Stud-bred.	Total.				
BENGAL.												*Per cent.*	*Per cent.*	*Per cent.*
North-Western Provinces.	–	3	–	–	3	1	1	2	3	7	10	1·27	3·83	5·11
Rajputana	–	–	–	–	–	–	–	–	–	–	–			
Panjab	1	–	–	–	1	1	–	2	2	5	6			
BOMBAY.														
Deccan	–	1	1	1	3	–	–	5	–	5	8	6·66	8·00	14·66
Gujrat and Kathiawar	–	–	1	–	1	–	–	–	–	–	1			
Sindh and Kutch	–	–	1	–	1	–	–	1	–	1	2			

APPENDIX II.

Horse-Breeding Operations.

Casualty Roll of Horse Stallions in the Bengal and Bombay Presidencies during the Official Year 1884-85.

Number.	Brand Number.	English Name.	Native Name.	Caste.	Description of Casualty.	Date of Casualty.	Nature of Casualty.
		BENGAL PRESIDENCY.					
1	1810	Ipswich	Khutowli	N. T.	Died	29 Sept. 1884	Impaction of colon and ruptured stomach.
2	2013	Amber	Sandul	„	„	19 Oct. „	Fever accompanied with dysentery.
3	1828	Black Perfection	Sadhu	„	„	19 Dec. „	Anthrax fever.
4	1662	Esprit	Afghan	Stud-bred	Destroyed	29 April „	Incurably affected with canker.
5	1991	-	Faris	Arab	„	7 Sept. „	Old age. Incurable laminitis and sprain of the flexor tendon of the near fore limb.
6	2055	-	Shaida	„	„	7 Sept. „	Incurable paraplegia.
7	1849	Acrobat	Chunchul	N. T.	„	19 Nov. „	Incurable pumiced feet.
8	1560	Eros	Jaiphal	Stud-bred	„	30 Dec. „	Old and worn out.
9	1750	Bugle	Turam	T. B. E.	„	1 Jan. 1885	- - ditto.
10	1485	Exercise	Kuddum	Stud-bred	„	13 Mar. „	- - ditto.
11	1945	Knighthood	Ezzut	T. B. E.	Died	8 Aug. 1884	Congestion of lungs; died at Okara returning to depôt.
12	1944	Mr. Ship	Amir Singh	„	Destroyed	10 Sept. „	Incurable paraplegia.
13	-	-	Sultan	Arab	„	9 Sept. „	Old and worn out.
14	-	-	Musafir	„	„	31 Dec. „	- - ditto.
15	1418	Extract	Masala	S. B.	„	9 Jan. 1885	- - ditto.
16	-	-	Nekbakt	„	„	11 Mar. „	- - ditto.
		BOMBAY PRESIDENCY.					
17	-	Starbeam	-	Arab	Died	13 April 1884	(Enteritis) inflammation of the bowels.
18	-	Commissioner	-	Pegu	„	4 May „	Choking.
19	-	-	Punhu	Arab	„	29 May „	(Enteritis) inflammation of the bowels.
20	-	-	Mootrib	N. T.	„	14 Feb. 1885	Pyæmia.
21	-	Don Juan	-	Arab	„	27 Mar. „	Colic.
22	-	Curacoa	-	„	Destroyed	10 April 1884	Old and worn out.
23	-	-	Trimbakji	„	„	3 June „	Injured back and loins.
24	-	Little John	-	„	„	6 June „	Ringbone.
25	-	Anderson	Maruti	„	„	4 July „	Impotent.
26	-	-	Shikra	„	„	22 Sept. „	Disease of loins and sheath.
27	-	-	Shahaji	„	„	2 Oct. „	Dropsy and general debility.

J. H. B. Hallen,
General Superintendent Horse-breeding Operations in India.

APPENDIX III.

HORSE-BREEDING OPERATIONS.

STATEMENT of HORSE STALLIONS sold during the Official Year 1884–85.

No.	Brand No.	English Name.	Native Name.	Class.	Date of Sale.	Name of Purchaser.	Amount Sold for.	REMARKS.
		BENGAL PRESIDENCY.						
1	2044	Vivid	Zindadil	Norfolk Trotter	10 November 1884	His Highness the Maharaja of Bikanir.	£. 300 – –	Sold for stud purposes.
2	1998	True Blue	Shoakh	„	15 October 1884	Syud Noor Khan Sirdar Bahadur.	*Rs.* 300 – –	Unfit for stud work.
3	1036		Moosa	Arab	ditto	Ufzal Khan	„ 250 – –	Old and worn out.
4	– –	Willie Scarlet	Chattoor	T. B. E.	ditto	Dr. Garratt	„ 180 – –	Unfit for stud work.
5	– –	Blackbird	Runggeen	Norfolk Trotter	ditto	ditto	„ 850 – –	ditto.
6	– –		Shaban	Arab	ditto	Syud Mohomed Umer Sirdar Bahadur.	„ 510 – –	ditto.
7	2035	Hetman	Munindar	Norfolk Trotter	9 November 1884	Raja Bikanir	£. 300 – –	Sold for stud purposes.
8	– –	Wildblood	Pakheru	„	26 March 1885	Nazar Ali	*Rs.* 1,250 – –	Not a sure foal getter.
		BOMBAY PRESIDENCY.						
9	– –	Skirmisher	–	Arab	18 April 1884	Not known	„ 68 – –	Old and worn out.
10	– –	–	Hira	„	16 May 1884	ditto	„ 155 – –	Paralysis of hind-quarter.
11	– –	Jim	–	„	17 July 1884	ditto	„ 100 – –	Old and worn out.
12	– –	President	–	„	16 August 1884	Pirozsha Barjorji	„ 54 4 –	Disease of testicles and scrotum.
13	– –	Iron Duke	–	„	8 November 1884	Framji Ardesir	„ 235 7 6	Impotent.
14	– –	–	Sayad	„	12 January 1885	Major Heyland	„ 515 – –	Unfit for stud work.
15	– –	Peeler	–	„	24 March 1885	K. S. Noormohamed Khan	„ 70 – –	Old and worn out.
16	– –	–	Ul-Inddee	„	ditto	ditto	„ 117 – –	ditto.

J. H. B. Hallen,
General Superintendent Horse-breeding Operations in India.

APPENDIX IV.

HORSE BREEDING OPERATIONS.

STATEMENT showing Classification and Distribution of HORSE STALLIONS attached to the DEPARTMENT of HORSE-BREEDING OPERATIONS in the BENGAL and BOMBAY PRESIDENCIES during the Official Year 1884-85.

CLASSES OF STALLIONS	BENGAL PRESIDENCY.													BOMBAY PRESIDENCY.																
	North-Western Provinces.				Rajputana.				Panjab.					Deccan.					Gujrat and Kathiawar.					Sind and Cutch.				Biluchistan.			
	Very Good.	Good.	Fair.	Total.	Very Good.	Good.	Fair.	Total.	Very Good.	Good.	Fair.	Bad.	Total.	Very Good.	Good.	Fair.	Not seen.	Total.	Very Good.	Good.	Fair.	Bad.	Total.	Very Good.	Good.	Fair.	Total.	Very Good.	Good.	Fair.	Total.
Thorough-bred English	9	18	7	34	–	–	–	–	10	18	5	2	35	2	–	–	1	3	3	1	–	–	4	–	–	–	–	1	–	–	1
Half-bred English, including	23	31	12	66	–	–	–	–	37	25	9	–	71	3	1	–	1	5	1	–	–	–	1	4	–	–	4	1	–	–	1
Waler	–	2	–	2	–	–	–	–	3	–	–	–	3	–	–	–	–	–	–	–	–	–	–	1	–	–	1	–	–	–	–
Persian	–	–	–	–	–	–	–	–	–	1	–	–	1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Stud-bred	–	1	6	7	–	–	–	–	3	12	2	–	17	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Turkoman	–	–	–	–	–	–	–	–	2	–	–	–	2	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Arab	1	5	10	16	–	–	–	–	19	26	14	–	59	10	13	6	–	29	5	4	3	1	13	6	5	1	12	1	–	–	1
TOTAL	33	57	35	125	–	–	–	–	74	82	30	2	188	15	14	6	2	37	9	5	3	1	18	11	5	1	17	3	–	–	3
TOTAL in each Presidency	313													75																

J. H. B. Hallen,
General Superintendent Horse-breeding Operations in India.

APPENDIX V.

HORSE-BREEDING OPERATIONS.

STATEMENT showing Cost of FEED, KEEP, ATTENDANTS, &c., &c., of HORSE STALLIONS in the BENGAL and BOMBAY PRESIDENCIES during the Official Year 1884-85.

Presidency, Province, and District.	Number of Stallions or Days.	Total Annual Cost.	Average per Horse Stallion per Annum.	General Average in each Province.	Remarks.
BENGAL PRESIDENCY.					
NORTH WESTERN PROVINCES.		*Rs. a. p.*	*Rs. a. p.*	*Rs. a. p.*	
Babugarh Depôt	10,910	5,604 14 3	187 8 2	—	
Meerut	3,792	2,448 11 –	235 2 7	—	
Bulandshahr	2,669	1,739 – 6	237 13 1	—	
Saháranpur	4,717	3,027 1 9	234 3 9	—	
Muzaffarnagar	4,726	2,967 1 –	229 2 5	—	
Aligarh	2,794	1,918 11 7	250 10 6	—	
Muttra	700	457 15 6	238 12 9	—	
Agra	365	238 7 9	238 7 9	—	
Etah	817	555 4 8	248 1 3	—	
Sháhjahánpur	1,194	757 3 –	231 7 5	—	
Budaun	1,410	926 7 9	239 13 4	—	
Bareilly	732	470 14 6	234 12 11	—	
Moradabad	1,451	960 1 9	236 7 9	—	
Bijnor	365	193 – 8	193 – 8	—	
Gurgaon	624	418 15 6	245 1 1	—	
Delhi	723	460 2 –	232 4 7	—	
Kurnal	2,170	1,255 3 6	211 2 1	—	
Rohtak	1,460	968 13 6	242 3 4	—	
Hissár	1,502	1,030 12 10	255 12 4	—	
Umballa	1,174	717 3 11	222 13 11	—	
Add charges for gear purchased	–	727 4 –	—	—	
TOTAL	44,295	27,818 6 11	– – –	229 3 8	
RAJPUTANA.					
Oodeypur	285	186 12 6	239 3 4	—	
Jhalrapatan	260	128 7 11	180 6 2	—	
TOTAL	545	315 4 5	– – –	211 2 4	
PANJAB.					
Hazara	2,369	1,511 6 6	232 13 10	—	
Rawalpindi	10,550	5,860 10 3	202 12 3	—	
Peshawar	730	483 12 3	241 14 1	—	
Murdan	365	232 7 6	232 7 6	—	
Jhelum	2,675	1,553 14 2	212 – 5	—	
Gujrat	3,127	1,840 1 7	214 12 6	—	
Gujranwala	1,275	762 15 2	218 6 7	—	
Lahore	3,285	1,857 4 3	206 5 9	—	
Sialkot	1,540	896 9 10	212 8 2	—	
Gurdaspur	1,126	583 1 10	189 – 3	—	
Hushiarpur	848	438 11 9	188 13 5	—	
Jullundher	1,095	614 5 4	204 12 5	—	
Ludhiana	1,184	665 15 –	205 4 8	—	
Ferozepur	2,098	1,292 – 6	224 12 5	—	
Shahpur	3,129	1,775 – 4	207 – 11	—	
Jhang	1,965	1,279 14 10	237 12 –	—	
Multan	6,145	4,021 4 9	238 13 8	—	
Muzaffargarh	3,407	2,326 6 11	249 3 9	—	
Dera Ghazi Khan	8,174	6,722 5 –	300 2 9	—	
Montgomery	1,598	1,014 2 9	231 10 4	—	
Dera Ismail Khan	850	536 14 5	230 8 10	—	
Bannu	154	71 1 2	168 7 2	—	
Amritsar	1,825	1,085 8 5	217 1 8	—	
Probynabad	362	174 14 4	176 5 6	—	
Lahore Veterinary School	725	429 8 11	216 4 2	—	
Babugarh depôt	7,028	3,882 6 5	201 10 1	—	
Add charges for gear purchased	–	400 13 –	—	—	
TOTAL	67,529	42,313 9 2	– – –	228 11 4	

APPENDIX V.—HORSE-BREEDING OPERATIONS—*continued.*

STATEMENT showing Cost of Feed, Keep, Attendants, &c.—*continued.*

Presidency, Province, and District.	Number of Stallions or Days.	Total Annual Cost.	Average per Horse Stallion per Annum.	General Average in each Province.	Remarks.
BOMBAY PRESIDENCY.					
DECCAN.		*Rs. a. p.*	*Rs. a. p.*	*Rs. a. p.*	
Sirur	1,825	1,210 1 10	242 – 4	—	
Supa	1,453	1,054 10 8	264 14 11	—	
Baramati	1,095	932 1 –	340 11 –	—	
Indapur	791	562 10 –	259 9 10	—	
Ahmednagar	3,048	2,678 1 11	320 11 3	—	
Sholapur	730	661 15 2	330 15 7	—	
Kaladgi	335	410 9 3	447 5 6	—	
Belgaum	576	785 – 1	497 7 –	—	
Satara	565	543 15 8	351 6 8	—	
Nasik	730	504 12 5	252 6 2	—	
Khandesh	2,770	1,917 8 8	252 10 –	—	
TOTAL	13,918	11,261 6 8	- - -	295 5 3	
GUJRAT AND KATHIAWAR.					
Kaira	730	621 1 1	310 8 6	—	
Ahmedabad	2,205	1,922 8 4	318 3 10	—	
Deesa	834	941 10 10	412 1 11	—	
Kathiawar	2,570	2,250 15 6	319 11 –	—	
TOTAL	6,339	5,736 3 9	- - -	330 4 8	
SINDH AND CUTCH.					
Cutch	1,460	1,331 10 7	332 14 7	—	
Karachi	164	310 9 11	691 5 1	—	
Hyderabad	730	736 11 11	368 5 11	—	
Thar and Parkar	271	359 10 8	484 6 9	—	
Shikarpur	1,387	1,458 2 3	383 11 6	—	
Jacobabad	1,384	1,920 3 7	506 6 8	—	
TOTAL	5,396	6,117 – 11	- - -	413 12 4	
BILUCHISTAN.					
Biluchistan	1,391	2,027 2 11	531 14 11	531 14 11	

ABSTRACT.

Presidency.	Province.	Average in each Province.	Average of each Presidency.
		Rs. a. p.	*Rs. a. p.*
Bengal	North-Western Provinces	229 3 8	228 13 3
	Rajputana	211 2 4	
	Panjab	228 11 4	
Bombay	Deccan	295 5 3	339 5 3
	Gujrat and Kathiawar	330 4 8	
	Sind and Cutch	413 12 4	
	Biluchistan	531 14 11	

J. H. B. Hallen,
General Superintendent Horse-breeding Operations in India.

APPENDIX VIII.

HORSE AND MULE-BREEDING OPERATIONS.

ANNUAL RETURN of Stock in the BENGAL and BOMBAY PRESIDENCIES during the Official Year 1884–85.

DETAIL.	GOVERNMENT HORSE STALLIONS.															GOVERNMENT DONKEY STALLIONS.															BRANDED MARES, THE PROPERTY OF BREEDERS.			THE PROPERTY OF GOVERNMENT.									
	Bengal Presidency.									Bombay Presidency.						Bengal Presidency.									Bombay Presidency.							Bengal Presidency.	Bombay Presidency.		Bengal Presidency.								
	Thoroughbred English.	Half-bred English, including Norfolk Trotters.	Australian.	Arab.	Persian.	Stud-bred.	Turkoman.	Reserved Colt.	Total.	Thoroughbred English.	Half-bred English, including Norf lk Trotters.	Australian.	Arab.	Pegu.	Total.	Spanish (Catalan).	Arab.	Home-bred.	Bokhara.	Panjabi.	Italian.	French.	Persian.	Herati.	Total.	Spanish.	Arab.	Bokhara.	Panjabi.	Italian.	Persian.	Total.	For Horse breeding.	For Horse-breeding.	For Pony-breeding.	For Mule-breeding.	Donkey Mares.	Foals.				Farm Stock.			
																																				Donkey Foals.		Mule Foals.		Cast Mares.	Pony Mares.	Bullocks.	Bull.
																																				Colts.	Fillies.	Colts.	Fillies.				
Balance on 1st April 1884 - - - -	69	136	2	71	1	29	-	1	308	6	10	1	61	1	79	15	111	8	12	22	72	8	21	2	281	1	5	1	2	3	3	15	14,559	2,229	220	276	14	5	9	9	6	9	42	2	1
Increase:																																												
Received by importation - - - -	4	10	-	-	-	-	2	1	14	2	2	-	-	-	4	-	-	-	-	4	24	8	-	-	32	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchased in India - - - -	-	-	3	10	-	-	2	-	15	-	-	-	10	-	10	-	-	-	-	4	-	-	6	-	10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Received from Remount Department -	-	-	-	-	-	-	-	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Presented to Government - - -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-
Received from the head "Panjabi" -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Branded during the year, including cast mares from Regiments and Batteries.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,548	475	116	-	-	-	-	-	-	-	-	-
Received from other districts - - -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	193	-	-	-	-	-	-	-	-	-	-	-
Foaled during the year - - - -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5	4	5	6	-	-	-	-
Selected from cast mares for farm work -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7	-	-	-
TOTAL - - -	73	146	5	81	1	29	2	1	338	8	12	1	72	1	94	15	111	8	12	26	96	16	27	2	323	1	5	1	2	5	3	17	17,300	2,704	336	276	14	10	13	14	12	17	42	2	1
Decrease:																																											
Died - - - - - - - -	1	3	-	-	-	-	-	-	4	-	1	-	3	1	5	-	4	-	-	1	1	1	-	-	7	-	-	-	-	-	-	-	559	17	-	6	-	2	-	-	-	1	1	-	-
Destroyed - - - - - - - -	2	1	-	4	-	5	-	-	12	-	-	-	6	-	6	-	1	-	-	-	2	-	-	-	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sold - - - - - - - -	1	5	-	2	-	-	-	-	8	-	-	-	8	-	8	-	-	-	-	1	-	1	-	-	2	-	2	-	-	-	-	2	311	5	-	-	-	-	-	-	-	3	6	-	-
Stolen - - - - - - - -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23	-	-	-	-	-	-	-	-	-	-	-	-
Returned to Remount Department -	-	-	-	-	-	-	-	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred to the head Italian -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	-	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL Decrease - - -	4	9	-	6	-	5	-	1	25	-	1	-	17	1	19	-	5	-	-	2	3	2	-	-	12	-	2	-	2	-	-	4	893	22	-	6	-	2	-	-	-	4	7	-	-
Balance on 31st March 1885 - - - -	69	137	5	75	1	24	2	-	313	8	11	1	55	-	75	15	106	8	12	24	93	14	27	2	311	1	3	1	-	5	3	13	16,407	2,682	336	270	14	8	13	14	12	13	35	2	1
TOTAL of each Class - -	313									75						311										13							16,407	2,682	336	270	14	21		26		50		1	

APPENDIX IX.

HORSE-BREEDING OPERATIONS.

GENERAL STATEMENT showing Results of the Year's Operations during the Official Year 1884-85.

PRESIDENCY.	PROVINCE.	Number of Branded Mares, the Property of Breeders, remaining on the Registers on 31st March 1885.	Number of Branded Mares, the Property of Breeders, Covered by Government Stallions. During 1883-84.	Number of Branded Mares, the Property of Breeders, Covered by Government Stallions. During 1884-85.	Number of Government Horse Stallions employed at Stud Work. During 1883-84.	Number of Government Horse Stallions employed at Stud Work. During 1884-85.	Average Number of Branded Mares Covered in 1884-85 per Stallion employed during the Year.	NUMBER OF STOCK, THE PROPERTY OF BREEDERS, GOT BY GOVERNMENT STALLIONS, FOALED DURING 1884-85, THE RESULTS OF COVERINGS OF 1883-84. Colts. By Thoroughbred English.	Colts. Half-bred English and Norfolk Trotters.	Colts. Australian.	Colts. Arab.	Colts. Stud-bred.	Colts. Pegu.	Colts. TOTAL.	Fillies. Thoroughbred English.	Fillies. Half-bred English and Norfolk Trotters.	Fillies. Australian.	Fillies. Arab.	Fillies. Stud-bred.	Fillies. Pegu.	Fillies. TOTAL.	GRAND TOTAL.	Number of Mares Covered in 1883-84, the Results of which are known.	Number of Government Stallions employed in 1883-84, the Results of which, with regard to Coverings, are known.	Percentage of Produce Foaled during 1884-85 to Mares Covered in 1883-84.	Average Number of Produce Foaled during 1884-85, per Stallion employed at Stud Work in 1883-84.
Bengal	North Western Provinces	5,657	3,843	4,242	104	102	41·58	157	374	1	91	67	–	690	145	307	5	66	53	–	581	1,271	3,843	104	33·07	12·22
	Rajputana	–	112	–	6	1	–	Statistics of last year's coverings not obtainable.							–	–	–	–	–	–	–	–	–	–	–	–
	Punjab	10,750	5,644	5,742	174	174	33·00	193	376	7	263	147	–	986	178	374	13	287	152	–	954	1,940	5,644	174	34·37	11·14
	TOTAL	16,407	9,599	9,984	284	277	36·17	350	750	8	354	214	–	1,676	323	681	18	303	210	–	1,535	3,211	9,487	278	35·84	11·55
Bombay	Deccan and Khandesh	776	1,008	*902	38·43	35·90	25·12	7	9	–	139	–	2	157	11	26	–	150	–	3	190	347	848	30·43	40·91	11·40
	Gujarat and Kathiawar	1,308	330	271	10·88	11·36	3·85	5	–	–	26	–	–	31	3	3	–	34	–	–	40	71	280	8·88	25·35	7·99
	Sind and Cutch	855	454	506	14·69	12·78	46·63	–	1	3	15	–	–	19	–	1	1	13	–	–	15	34	195	6·69	17·43	5·08
	Biluchistan	79	–	115	–	3·00	38·33	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	TOTAL	3,018	1,792	1,884	64·00	63·04	29·88	12	10	3	180	–	2	207	14	30	1	197	–	3	245	452	1,323	46·00	34·16	9·82

* Khandesh returns not received.

J. H. B. Hallen,
General Superintendent Horse-Breeding Operations in India.

APPENDIX X.

HORSE-BREEDING OPERATIONS.

STATEMENT showing Number of Cast Mares Received from CORPS and BATTERIES, and Sold to *bonâ fide* Breeders for Breeding Purposes during 1883-84.

Number.	Brand Number.	Colour.	From whence Received.		Date of Receipt.	Date of Sale.	Sold for Horse or Mule Breeding.	Name of Purchaser.	Price.	REMARKS.
			Corps and Batteries.	Station.						
			BENGAL PRESIDENCY. *North Western Provinces.*						*Rs.*	
1	55 Trop No.	Grey	J-2nd R.A.	Allahabad	4 April 1884	20 April 1884	Horse-breeding	Mustakeem Khan	15	
2	78 „	„	„	„	4 „ „	20 „ „	„	Achpul	42	
3	97 „	„	„	„	4 „ „	20 „ „	„	Hurkishun	32	
4	42 „	„	„	„	4 „ „	20 „ „	Mule-breeding	Resal Singh	11	
5	65—5889 V near saddle	Chestnut	E.A. R.H.A.	Meerut	17 „ „	20 „ „	Horse-breeding	„	14	
6	0 00 near shoulder F—22.	Bay	9th Lancers	Umballa	23 „ „	20 May „	„	Rao Omrao Singh	80	
7	T-2—98	„	J-2nd R.A.	Allahabad	21 „ „	20 „ „	Mule-breeding	Ramgopal	21	
8	T-2—33	„	„	„	21 „ „	20 „ „	Horse-breeding	Shahmul	45	
9	T-2—92	Roan	E-4 R.A.	Dinapur	5 May „	20 „ „	„	Resal Singh	10	
10	—92-B	Bay	L-A. R.H.A.	Umballa	9 August „	16 Oct. „	Mule-breeding	Kulloo Singh	13	
11	T—No.—169	„	N-3 R.H.A.	Lucknow	8 Nov. „	8 Dec. „	Horse-breeding	Ameer Buksh	15	
12	119—N B	„	„	„	8 „ „	8 „ „	Mule-breeding	Chutter Singh	30	
13	59—A	„	17th D.C.O. Lancers	„	12 „ „	8 „ „	„	Nowbut Singh	25	
14	32—E	Chestnut	„ „	„	12 „ „	8 „ „	„	Mamraj	15	
15	20—G	Grey	„ „	„	12 „ „	8 „ „	„	Jodha	10	
16	C-B Star	D K Bay	9th Lancers	Umballa	17 „ „	8 „ „	Horse-breeding	Amrao Singh	60	
17	31—D	D K Bay	„	„	17 „ „	8 „ „	„	Toomun Singh	40	
18	64—D	Grey	„	„	17 „ „	8 „ „	„	Abdul Suttar Khan	40	
19	47—E	Bay	„	„	17 „ „	8 „ „	„	Shibdyal	60	
20	2—L A	„	L-A R.H.A.	„	29 „ „	8 „ „	„	Idul	30	
21	5—L A	Brown	„	„	20 „ „	8 „ „	„	Mustakin Khan	15	
22	13—L A	Grey	„	„	29 „ „	8 „ „	„	Mamraj	70	
23	165—L A	Brown	„	„	29 „ „	8 „ „	Mule-breeding	„	12	
24	11—L-3	Bay	L-3 R.A.	Meerut	7 „ „	8 „ „	„	Toomun	40	
25	1—G A	Roan	G-A. R.H.A.	„	7 „ „	8 „ „	„	Abdulla Khan	50	
26	36—R-3	Bay	R-3rd R.A.	Fyzabad	18 „ „	8 „ „	„	„	65	
27	48—R-3	„	„	„	18 „ „	8 „ „	„	Sookhdao	20	
28	2—G-1	„	G-1st R.A.	Cawnpore	18 „ „	8 „ „	„	Toomun	55	

29	46—K	,,	R-3rd R.A.	Morar	27 ,, ,,	8 ,, ,,	,,	Kooka	30						
30	409	Grey	F-A. R.H.A.	Meerut	6 Dec. ,,	28 ,, ,,	,,	Dewan	35						
31	3940/2559	,,	,,	,,	,, ,,	28 ,, ,,	Horse-breeding / Mule-breeding	Syud Bahadur Shah / Meer Ahmud Shah	25 / 75						
32	T.N. near rump	Bay	,,	,,	,, ,,	28 ,, ,,	Horse-breeding	Syud Bahadur Shah	90						
33	Blaze, &c.	,,	,,	,,	,, ,,	28 ,, ,,	,,	Mowashee	30						
34	1664	Grey	,,	,,	,, ,,	28 ,, ,,	Mule-breeding	Syud Bahadur Shah	55						
35	1699	Brown	,,	,,	,, ,,	28 ,, ,,	Horse-breeding	Phool Singh	45						
36	136—T N	Bay	L-A. R.H.A.	Umballa	29 Nov. ,,	28 ,, ,,	,,	Syud Bahadur Shah	60						
37	159—T N	,,	,,	,,	29 ,, ,,	28 ,, ,,	Mule-breeding	,, ,,	60						
38	47— ,,	,,	17th D.O. Lancers	Lucknow	12 ,, ,,	28 ,, ,,	Horse-breeding	Bulloo	45						
39	64— ,,	,,	L-3rd R.A.	Meerut	7 ,, ,,	28 ,, ,,	,,	,,	80						
40	5835—B	Blue roan	G-A. R.H.A.	,,	7 ,, ,,	28 ,, ,,	Mule-breeding	Uchpal	25						
41	11—N	Bay	N-B. R.H.A.	Lucknow	5 ,, ,,	28 ,, ,,	Horse-breeding	Sahab Singh	60						
42	22—B	,,	9th Lancers	Umballa	17 ,, ,,	28 ,, ,,	,,	Baihoo	65						
43	40—D	D-K chest.	,,	,,	17 ,, ,,	28 ,, ,,	Mule-breeding	Mungut	35						
44	10—E	Grey	,,	,,	17 ,, ,,	28 ,, ,,	,,	Soolaiman Shah	30	Farm mare rejected and sold.					
45	3 T N	,,	R-3 R.A.	Morar	11 Dec. 1882	28 ,, ,,	—	—	—						
46	T No. 4	Black	M-3 R.A.	Meerut	8 Jan. 1883	28 ,, ,,	,,	Mowashee	35	- - ditto.					
47	76—H8-58	Chestnut	F-4 R.A.	Morar	5 Mar. ,,	28 ,, ,,	,,	Sunt Lal	80	- - ditto.					
48	53 R C near shoulder	Brown	G-4 R.A.	Meerut	7 Nov. 1884	31 Jan. 1885	,,	Mobarick Ali Baig	20						
49	18—K. I. D. near shoulder.	Chestnut	L-3 R.A.	,,	7 ,, ,,	31 ,, ,,	Mule-breeding	Hameer	35						
50	2148—B19	Bay	17th D.C.O. Lancers	Lucknow	12 ,, ,,	31 ,, ,,	,,	Chundi Parshad	35						
51	101	,,	L.A. R.H.A.	Umballa	29 ,, ,,	31 ,, ,,	Horse-breeding	Unour Singh	30						
52	174	Brown	,,	,,	29 ,, ,,	31 ,, ,,	,,	Mana	40						
53	1901—A/7	Grey	8th Hussars	Meerut	16 Jan. 1885	31 ,, ,,	,,	Nuthoo	120						
54	E—24	Bay	E-4 R.A.	Bareilly	16 ,, ,,	31 ,, ,,	Mule-breeding	Sree Ram	35						
55	E—30	,,	,,	,,	16 ,, ,,	31 ,, ,,	Horse-breeding	Sriah	70						
56	26—E70	Brown	,,	,,	16 ,, ,,	31 ,, ,,	,,	Soonhaira	35						
57	91—E/75	Grey	,,	,,	16 ,, ,,	31 ,, ,,	,,	Ram Singh	115						
58	20-T. M. near shoulder	Brown	D-4 R.A.	Agra	3 ,, ,,	18 Feb. ,,	Mule-breeding	Abdul Karim Khan	30						
59	T near shoulder	Bay	,,	,,	3 ,, ,,	18 ,, ,,	,,	Sirdar Khan	25						
60	J W near shoulder	Black	0.3. R.A.	Lucknow	8 ,, ,,	18 ,, ,,	Horse-breeding	Toafa	20						
61	97—B/30	Bay	3rd Dragoon Guards	Muttra	5 Feb. ,,	18 ,, ,,	Mule-breeding	Man Singh	40						
62	100—B/33	,,	,, ,,	,,	5 ,, ,,	18 ,, ,,	Horse-breeding	Jeewun Khan	30						
63	103—B/36	,,	,, ,,	,,	5 ,, ,,	18 ,, ,,	Mule-breeding	Fatteh Yab Khan	50						

APPENDIX X.—Horse-Breeding Operations.—STATEMENT showing Number of Cast Mares Received from Corps and Batteries, and Sold to *bond fide* Breeders, &c.—*continued.*

Number.	Brand Number.	Colour.	From whence Received.		Date of Receipt.	Date of Sale.	Sold for Horse or Mule Breeding.	Name of Purchaser.	Price.	REMARKS.
			Corps and Batteries.	Station.						
			Bengal Presidency—*continued.* North-Western Provinces—*continued.*						*Rs.*	
64	160 C/27	Bay	3rd Dragoon Guards	Muttra	5 Feb. 1885	18 Feb. 1885	Mule-breeding	Ashfak Hussun	30	
65	201 D/2	Dun	,, ,,	,,	5 ,, ,,	18 ,, ,,	Horse-breeding	Fatteh Yab Khan	100	
66	232 D/33	Chestnut	,, ,,	,,	5 ,, ,,	18 ,, ,,	,,	Muhammad Ali Khan	50	
67	301 E/36	Grey	,, ,,	,,	5 ,, ,,	18 ,, ,,	Mule-breeding	Lootf Ali Khan	20	
68	378 F/47	Chestnut	,, ,,	,,	5 ,, ,,	18 ,, ,,	Horse-breeding	Muhammad Ali Khan	95	
			PANJAB.							
69	105	Bay	B.R.A.	Multan	13 April 1884	25 April 1884	,,	Mr. Phillips, Inspector of Police.	33	
70	68	Grey	,,	,,	15 Dec. ,,	20 Dec. ,,	,,	Pirshah Quraishi	6	
71	A—17	,,	1st King's Dragoon Guards.	Rawalpindi	28 Oct. ,,	10 Nov. ,,	,,	Buksh Khan	56	
72	B—26	Bay	,, ,,	,,	28 ,, ,,	10 ,, ,,	,,	Sirdar Tara Singh	22	
73	D—38	Dun	,, ,,	,,	28 ,, ,,	10 ,, ,,	,,	Sadulla Khan Numberdar	21	
74	44	Bay	,, ,,	,,	28 ,, ,,	10 ,, ,,	,,	Bushrat Khan	40	
75	F—23	Chestnut	,, ,,	,,	28 ,, ,,	10 ,, ,,	,,	Shere Singh	43	
76	F—37	,,	,, ,,	,,	28 ,, ,,	10 ,, ,,	,,	Jafar	23	
77	F—61	,,	,, ,,	,,	28 ,, ,,	10 ,, ,,	,,	Hayat Khan	19	
78	68	Black	K-B. R.H.A.	,,	30 Dec. ,,	30 Dec. ,,	,,	Kadar Bux	31	
79	168	Brown	,,	,,	30 ,, ,,	31 ,, ,,	,,	Babu Wasawa Singh	50	
80	A—11	Grey	6th Dragoon Guards	Sialkote	11 Nov. ,,	26 Nov. ,,	,,	Hassoo	27	
81	62	Chestnut	,, ,,	,,	8 ,, ,,	25 ,, ,,	,,	Jiwa Shah	30	
82	C—59	Brown	,, ,,	,,	8 ,, ,,	26 ,, ,,	,,	Fazaldin	85	
83	E—33	Bay	,, ,,	,,	8 ,, ,,	26 ,, ,,	,,	Kadardad	45	

84	F—36	"	"	"	"	8	"	"	26	"	"	"	Karim Khan	55
85	E—46	"	"	"	"	8	"	"	28	"	"	"	Shamot Khan	58
86	K—22	Chestnut	"	"	"	10	"	"	28	"	"	"	Gunda Mall	120
87	26	Bay	D-A. R.H.A.	"	"	25	"	"	12	Dec.	"	"	Mohomed Buksh	72
88	48	"	"	"	"	25	"	"	16	"	"	"	Bata Singh	41
89	141	"	"	"	"	25	"	"	17	"	"	"	Gulam Rasal	28
90	109	"	P-3 R.A.	Mian Meer		2	Dec.	"	2	"	"	"	Balaka Singh	20
91	11	"	N-B 3rd Brigade R.A.	"		18	"	"	24	"	"	"	Miran Buksh	40
92	50	"	"	"		18	"	"	24	"	"	"	Shibdyal	30
93	R—21	D-K brown	R.B. 2nd Brigade, R.A.	Jallandhar		9	Jan.	1885	10	Jan.	1885	"	Kola Singh	43
94	R—39	Grey	" "	"		9	"	"	10	"	"	"	Wisakhi Mall	26
95	100	Brown	" "	"		9	"	"	10	"	"	"	"	41

BOMBAY PRESIDENCY.

96	D-80	Bay	D-B.	Kirkee					8	Nov.	1884	Horse-breeding	Farrier Major Slade	140
97	D-56	"	"	"					8	"	"	"	Mr. Futteh Mahomed	81
98	D-59	"	"	"					8	"	"	"	Mr. Shaik Mahomed	71
99	50	"	F.B. R.A.	"					22	"	"	"	Mr. Kooverji Ardessur	50
100	64	Brown	"	"					22	"	"	"	G. M. Stewart, Esq.	95
101	1	Black	E-1 R.A.	"					16	Dec.	"	"	Mr. Kooverji Ardessur	28
102	54	Chestnut	T-1 R.A.	"					16	"	"	"	Mr. W. Thomson	100
103	44	"	"	"					16	"	"	"	Mr. Futteh Mahomed	65
104	62	Flea-bitten grey.	"	"					16	"	"	"	Mr. Kooverji Ardessur	42
105	9	Black	"	"					16	"	"	"	Mr. Peerosha Barjorji	45
106	109	Bay	G-2 R.A.	Belgaum					23	"	"	"	Mr. Kooverji Ardessur	90
107	71	"	"	"					23	"	"	"	Mr. Gangadhar Vinayek	47
108	18	Blue roan	"	"					23	"	"	"	Mr. Kooverji Ardessur	100
109	42	Chestnut	F-2 R.A.	Kirkee					7	March	1885	"	Mr. Ramjan Khan	30
110	Unknown	Brown	E-2 R.A.	Karachi					5	August	1884	"	Unknown	51
111	"	"	C-2 R.A.	Hyderabad					3	March	1885	"	Khan Bahadur Gharam Khan.	30
112	"	"	"	"					3	"	"	"	Khan Bahadur Gharam Khan.	30
113	"	Bay	E-2 R.A.	Karachi					7	"	1884	"	Mr. Jameson	55
													TOTAL - - - *Rs.*	5,120

Presidency.	Province.	Number of Mares.	Amount.	Average of each Province.	Average of each Presidency.
			Rs. a. p.	*Rs. a. p.*	*Rs. a. p.*
Bengal	North Western Provinces	68	2,870 – –	42 3 3	41 12 7
	Punjab	27	1,100 – –	40 11 10	
Bombay	Deccan	14	984 – –	70 4 6	63 14 2
	Sind	4	166 – –	41 8 –	

J. H. B. Hallen,
General Superintendent Horse-Breeding Operations in India.

APPENDIX XI.

HORSE-BREEDING OPERATIONS.

STATEMENT of REMOUNTS Purchased during the Year 1884-85.

PRESIDENCY.	REMOUNTS PURCHASED BY	NUMBER OF REMOUNTS PURCHASED.				DETAIL.					
		Horses.	Mares.	Geldings.	TOTAL.	Produce of Government Stallions.	Class of Sires not known.	Country Bred.	Cabuli.	Arab.	Biluchi.
Bengal	Army Remount Department — From 4 to 8 years of age	3	1	1	5	1	4	--	—	—	—
	Army Remount Department — From 1 to 4 „ „	35	41	49	125	80	45	—	—	—	—
	Bengal Native Cavalry	250	433	243	926	4	635	287	—	—	—
	Punjab „ „	42	122	86	250	32	142	76	—	—	—
	North Western Provinces Police	16	25	12	53	22	31	—	—	—	—
	Punjab Police	3	8	1	12	- -	- -	7	2	1	2
	TOTAL	349	630	392	1,371	139	857	370	2	1	2
Bombay	Bombay Native Cavalry	37	11	7	55	- -	- -	55	—	—	—
	Police, Northern Division	59	3	6	68	7	29	32	—	—	—
	„ Central „	16	5	- -	21	5	15	1	—	—	—
	„ Southern „	11	3	1	15	1	6	8	—	—	—
	„ in Sindh „	102	25	- -	127	4	- -	123	—	—	—
	TOTAL	225	47	14	286	17	50	219	—	—	—

J. H. B. Hallen,
General Superintendent Horse-Breeding Operations in India.

APPENDIX XII.

HORSE-BREEDING OPERATIONS.

STATEMENT showing the Number of COLTS, the Property of Zamindars, Castrated by District Salutris and Castrators in the Horse-Breeding Districts of the BENGAL and BOMBAY PRESIDENCIES, during the Official Year 1884-85.

Presidency.	Province.	District.	Number of Colts Castrated.	Number of Deaths resulting from Effects of Operation.	Number of Male Colts Castrated.
Bengal	North Western Provinces	Saharanpur	111	-	8
		Muzaffarnagar	100	-	4
		Meerut	81	-	8
		Bulandshahr	84	-	10
		Aligarh	34	-	2
		Muttra	3	—	—
		Agra	9	—	—
		Etah	7	—	—
		Shahjahanpur	19	-	1
		Moradabad	5	—	—
		Budaun	27	-	7
		Bareilly	21	—	—
		Bijnor	3	—	—
Bengal	Panjab	Gurgaon	5	—	—
		Delhi	4	-	1
		Kurnal	6	-	1
		Umballa	38	—	—
		Rawalpindi	20	-	7
		Jhelum	21	-	8
		Gujrat	19	—	—
		Lahore	71	-	7
		Amritsar	3	—	—
		Ludhiana	8	-	16
		Ferozepur	20	-	7
		Shahpur	51	-	4
		Muzaffargarh	36	-	3
		Dera Ghazi Khan	195	-	2
		Multan	48	-	16
		TOTAL in Bengal Presidency	1,049	-	112
Bombay	Deccan	Poona	16	—	—
		Ahmednagar	12	—	—
		Khandesh	10	—	—
	Gujrat	Ahmedabad	32	—	—
	Sindh	Shikapur	12	—	—
		TOTAL in Bombay Presidency	82	—	—

APPENDIX XIII.

MULE-BREEDING OPERATIONS.

CASUALTY ROLL of DONKEY STALLIONS during the Official Year 1884-85.

Number.	Name.	Breed.	Description of Casualty.	Date of Casualty.	Nature of Casualty.
			BENGAL PRESIDENCY.		
			NORTH WESTERN PROVINCES.		
1	Joshi	Italian	Died	14 May 1884	Rupture of the stomach and diaphragm.
2	Bela	Arab	Destroyed	15 December „	Cystic calculus.
			PUNJAB.		
3	Azad	Arab	Died	26 May 1884	Fracture.
4	Pulwa	Arab	Died	14 July „	Anthrax.
5	Beegas	Arab	Died	27 October „	Fever.
6	Mugra Munh	Panjabi	Died	11 September „	Colic.
7	Bukhtawar Singh	French	Died	15 November „	Inflammation of the lungs.
8	Sahaswan	Arab	Died	26 March 1885	- - ditto.
9	Soan Bhudar	Italian	Destroyed	12 May 1884	Incurable paralysis.
10	Khanwurghur	Italian	Destroyed	26 May „	Tumour in the region of the eye.

J. H. B. Hallen,
General Superintendent Horse-Breeding Operations in India.

APPENDIX XIV.

MULE-BREEDING OPERATIONS.

STATEMENT of DONKEY STALLIONS Sold during the Year 1884–85.

Serial No.	Name.	Class.	Date of Sale.	Name of Purchaser.	Amount.	Remarks as to cause why considered unfit for Government Stud Work.
		BENGAL PRESIDENCY:			*Rs. a. p.*	
1	Suraj Singh	French	July 1884	Ganga Singh	52 – –	Impotent.
2	Lakhowal	Panjabi	1 Oct. „	Attur Singh	45 – –	ditto.
		BOMBAY PRESIDENCY:				
3	Jang Bahadur	Arab	10 Nov. 1884	K. B. Framji Ardesir.	60 – –	ditto.
4	Lancer	Arab	8 „ „	Enayat Khan	31 4 9	ditto.

APPENDIX XV.

MULE-BREEDING OPERATIONS.

STATEMENT showing Classification and Distribution of DONKEY STALLIONS attached to the Department of Horse-Breeding Operations in the BENGAL and BOMBAY PRESIDENCIES, during the Official Year 1884–85.

CLASSES.	BENGAL PRESIDENCY.															BOMBAY PRESIDENCY.							
	North Western Provinces.						Rajputana.				Panjab.					Deccan.				Sind and Cutch.			
	Very good.	Good.	Fair.	Indifferent.	Bad.	Total.	Very good.	Good.	Fair.	Total.	Very good.	Good.	Fair.	Bad.	Total.	Very good.	Good.	Fair.	Total.	Very good.	Good.	Fair.	Total.
Spanish (Catalan)	1	3	1	–	–	5	–	–	–	–	–	9	1	–	10	–	1	–	1	–	–	–	–
Arab	1	11	22	–	–	34	–	–	–	–	8	44	19	–	71	–	–	1	1	–	1	1	2
Italian	2	24	13	2	2	43	–	1	–	1	14	24	9	2	49	1	–	1	2	3	–	–	3
French	1	5	3	1	–	10	–	–	–	–	–	4	1	–	5	–	–	–	–	–	–	–	–
Persian	3	6	7	–	–	16	–	–	–	–	1	13	7	–	21	–	–	–	–	–	3	–	3
Home-bred	1	5	2	–	–	8	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Bokhara	–	–	–	–	–	–	–	–	–	–	–	10	2	–	12	–	–	–	–	1	–	–	1
Panjabi	–	–	–	–	–	–	–	–	–	–	7	14	3	–	24	–	–	–	–	–	–	–	–
Hirati	–	–	–	–	–	–	–	–	–	–	–	2	–	–	2	–	–	–	–	–	–	–	–
TOTAL	9	54	48	3	2	116	–	1	–	1	30	120	42	2	194	1	1	2	4	4	4	1	9
GRAND TOTAL	311															13							

J. H. B. Hallen,
General Superintendent Horse-Breeding Operations in India.

APPENDIX XVI.

MULE-BREEDING OPERATIONS.

STATEMENT showing Cost of FEED, KEEP, ATTENDANTS, &c., &c., of DONKEY STALLIONS in the BENGAL and BOMBAY PRESIDENCIES, during the Official Year 1884-85.

PRESIDENCY, PROVINCE, AND DISTRICT.	Number of Donkey Stallions, or Days.	Total Annual Cost.	Average per Donkey Stallion per Annum.	General Average in each Province.	Remarks.
BENGAL PRESIDENCY.					
NORTH WESTERN PROVINCES.		*Rs. a. p.*	*Rs. a. p.*	*Rs. a. p.*	
Babugarh Depôt	13,207	2,605 6 4	72 – –	—	
Meerut	3,056	1,126 6 6	134 8 6	—	
Bulandshahr	1,964	684 6 7	127 3 1	—	
Saharanpur	3,123	1,124 6 –	131 6 6	—	
Muzaffarnagar	2,891	978 14 9	123 9 5	—	
Aligarh	1,459	532 10 11	133 4 2	—	
Muttra	209	75 11 6	132 3 9	—	
Agra	365	133 1 3	133 1 3	—	
Etah	992	324 6 11	119 5 11	—	
Shâhjahânpur	365	128 7 9	128 7 9	—	
Budaun	1,516	532 11 9	128 4 2	—	
Bareilly	578	207 15 –	131 4 11	—	
Moradabad	1,825	682 15 3	136 9 5	—	
Bijnor	709	238 9 4	122 13 2	—	
Allahabad	365	131 9 10	131 9 10	—	
Mainpuri	90	27 8 4	111 9 10	—	
Kumaun	365	129 7 1	129 7 1	—	
Gurgaon	730	270 5 –	135 2 6	—	
Delhi	475	168 1 3	129 2 6	—	
Kurnal	727	264 5 –	132 11 2	—	
Rohtak	1,095	408 2 3	136 – 9	—	
Hissar	20	7 5 8	134 3 5	—	
Add charges for gear purchased	–	584 2 10	—	—	
TOTAL	36,126	11,367 1 1	– – –	114 13 6	
RAJPUTANA.					
Ajmere	365	135 – 10	135 – 10	135 – 10	
PANJAB.					
Hazara	3,521	1,139 – 2	118 1 2	—	
Rawalpindi	20,075	6,384 7 8	116 1 3	—	
Peshawar	2,190	746 – 1	124 5 4	—	
Mardan	1,095	368 5 8	122 12 7	—	
Kohat	365	133 1 11	133 1 11	—	
Jhelum	2,781	851 9 10	111 12 4	—	
Gujrat	2,086	640 13 4	112 2 1	—	
Gujranwala	1,095	338 10 2	112 14 1	—	
Lahore	2,554	783 – 8	111 14 6	—	
Lahore Veterinary School	883	615 9 10	254 7 6	—	
Sialkot	1,565	500 15 6	116 13 5	—	
Gurdaspur	1,617	502 11 6	113 7 7	—	
Kangra	663	203 2 3	106 15 10	—	
Dera Ismail Khan	549	137 11 9	91 9 2	—	
Bannu	1,095	413 14 5	137 15 5	—	
Hushiarpur	820	243 10 9	108 7 5	—	
Ferozepur	1,882	600 4 11	116 6 9	—	
Muzaffargarh	4,380	1,425 13 3	118 13 1	—	
Jullunder	1,095	419 13 1	139 15 –	—	
Ludhiana	1,095	353 5 11	117 12 8	—	
Amritsar	1,506	491 14 1	119 3 4	—	
Jhang	1,188	405 – 6	124 7 1	—	
Shahpur	2,190	759 2 4	126 8 5	—	
Montgomery	1,825	593 7 7	118 11 1	—	
Multan	2,920	1,033 11 3	129 3 5	—	
Dera Ghazi Khan	2,956	1,196 1 6	147 11 –	—	
Babugarh Depôt	2,005	544 4 5	99 1 4	—	
Add charges for gear purchased	–	235 – –	—	—	
TOTAL	66,026	22,060 12 4	– – –	120 7 –	

APPENDIX XVI.

MULE-BREEDING OPERATIONS.

STATEMENT showing Cost of FEED, KEEP, ATTENDANTS, &c., &c., of DONKEY STALLIONS in the BENGAL and BOMBAY PRESIDENCIES, during the Official Year 1884-85—(concluded).

PRESIDENCY, PROVINCE, AND DISTRICT.	Number of Donkey Stallions, or Days.	Total Annual Cost.	Average per Donkey Stallion per Annum.	General Average in each Province.	Remarks.
BOMBAY PRESIDENCY.					
DECCAN.		*Rs. a. p.*	*Rs. a. p.*	*Rs. a. p.*	
Sirur	895	619 6 7	252 9 8	—	
Ahmednagar	589	406 12 6	252 1 3	—	
Khandesh	730	484 2 2	242 1 1	—	
TOTAL	2,214	1,510 5 3	- - -	248 15 10	
SINDH AND CUTCH.					
Bhuj	365	174 4 8	174 4 8	—	
Umarkot	365	53 5 8	53 5 8	—	
Hyderabad	494	545 11 2	403 3 1	—	
Shikarpur	896	544 12 9	221 14 10	—	
Jacobabad	365	272 6 10	272 6 10	—	
TOTAL	2,485	1,590 9 1	- - -	233 9 11	

ABSTRACT.

PRESIDENCY.	PROVINCE.	Average in each Province.	Average in each Presidency.
		Rs. a. p.	*Rs. a. p.*
Bengal	North Western Provinces	114 13 6	119 7 11
	Rajputana	135 - 10	
	Panjab	120 7 -	
Bombay	Deccan	248 15 10	240 13 10
	Sindh and Cutch	233 9 11	

J. H. B. Hallen,
General Superintendent Horse-breeding Operations in India.

APPENDIX XVII.

MULE-BREEDING OPERATIONS.

GENERAL STATEMENT showing Results of the Year's Operations during the Official Year 1884–85.

PRESIDENCY.	PROVINCE.	MARES COVERED. For Mule Breeding. During 1883-84.	For Mule Breeding. During 1884-85.	Donkey Mares for Donkey Breeding. During 1883-84.	Donkey Mares for Donkey Breeding. During 1884-85.	Number of Government Donkey Stallions employed at Stud Work. During 1883-84.	Number of Government Donkey Stallions employed at Stud Work. During 1884-85.	Average Number of Mares covered during 1884-85 per Stallion employed in that Year.	MULES BY GOVERNMENT DONKEY STALLIONS FOALED DURING THE YEAR. Colt Mules. By Spanish.	By Arab.	By Bokhara.	By Italian.	By Panjabi.	By Persian.	By French.	By Hirati.	Total.	Filly Mules. By Spanish.	By Arab.	By Bokhara.	By Italian.	By Panjabi.	By Persian.	By French.	By Hirati.	Total.	Grand Total.	Number of Mares covered in 1883-84, the Results of which are known.	Number of Government Donkey Stallions employed in 1883-84, Results of which as regards Coverings, are known.	Percentage of Produce foaled during 1884-85 to Mares covered in 1883-84.	Average Number of Produce foaled during 1884-85 per Stallion employed in 1883-84.
Bengal	North-Western Provinces	2,793	3,313	21	22	66	69	48·01	1	176		92	–	103	14	–	386	2	206	–	96	–	100	6	–	410	796	2,793	66	28·49	12·06
	Rajputana	21	30	–	–	2	1	30·00	–	–	–	–	–	Not known.			–	–	–	–	–	–	–	–	–	–	–	–	–	–
	Panjab	8,339	9,208	779	871	159	170	54·16	23	495	46	197	118	49	33	18	979	23	460	50	250	130	57	31	23	1,024	2,003	8,339	159	24·01	12·59
	TOTAL	11,153	12,551	800	893	227	240	52·29	24	671	46	289	118	152	47	18	1,365	25	666	50	346	130	157	37	23	1,434	2,799	11,132	225	25·14	12·44
Bombay	Deccan and Khandesh	69	*80	–	–	5·41	5·03	15·90	–	3	–	–	–	–	–	–	3	–	7	–	–		–	–	–	7	10	49	4·35	20·40	2·29
	Gujrat and Kathiawar	–	–	–	–	0·60	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	Sindh and Cutch	140	214	–	–	4·16	6·57	32·57	–	1	–	5	–	7	–	–	13	–	1	–	–	–	4	–	–	5	18	70	3·20	25·71	5·62
	TOTAL	209	294	–	–	10·17	11·60	25·34	–	4	–	5	–	7	–	–	16	–	8	–	–	–	4	–	–	12	28	119	7·55	23·52	3·70

* Khandesh returns not received.

J. H. B. Hallen,
General Superintendent Horse-breeding Operations in India.

DEPARTMENT OF HORSE-BREEDING OPERATIONS.

ANNUAL ADMINISTRATION REPORT of the BENGAL and BOMBAY PRESIDENCIES, for the Official Year 1885-86.

Officers.

THE following officers were employed in the Department during the year under review :—

Inspecting Veterinary Surgeon J. H. B. Hallen, General Superintendent Horse-breeding Operations in India ;
Veterinary Surgeon J. K. Grainger, Officiating Superintendent Horse-breeding Operations, Bombay Presidency ;
First-class Veterinary Surgeon B. L. Glover, Assistant Superintendent Horse-breeding Operations, North-Western Provinces and Rajputana ;
First-class Veterinary Surgeon F. Garratt, Assistant Superintendent Horse-breeding Operations, Panjab.

Mr. Lamb, Superintendent Horse-breeding Operations, Bombay Presidency, continues on furlough until May 1886.

Mr. Anderson, on becoming posted as Inspecting Veterinary Surgeon of the Bombay Presidency, was succeeded by 1st Class Veterinary Surgeon F. Garratt, Army Veterinary Department, as Assistant Superintendent Horse-breeding Operations, Panjab, on 6th July 1885.

HORSE-BREEDING OPERATIONS.

tallions. Number f—

2. At the end of last year the strength of stallions on the books was :—

	Bengal Presidency.	Bombay Presidency.
Thorough-bred English	69	8
Half-bred English and Norfolk Trotters	137	11
Australian	5	1
Arab	75	55
Persian	1	—
Stud-bred	24	—
Turkoman	2	—
TOTAL	313	75

ncrease received uring the year.

3. The undermentioned stallions were received during the year :—

Whence received.	Class of Stallions.	Bengal Presidency.	Bombay Presidency.
From England	Thorough-bred English	11	2
	Norfolk Trotters	9	2
By purchase in India	Arab	13	15
From Goona, Central India Horse.	Norfolk Trotter	1	—
	Stud-bred	1	—
From Bengal Presidency	Thorough-bred English	-	1
	Norfolk Trotter	-	1
	Arab	-	2
	TOTAL	35	23

4. The English horses provided by the Right Honourable the Secretary of State for India arrived by troop ships in Bombay during the trooping season ; four remained in the Bombay Presidency and were sent to Ahmednagar Depôt for acclimatization, and 20 were forwarded to the depôt at Hapur for ultimate distribution in Bengal and Panjab Provinces. As a lot they have been much approved, with the exception of T. B. E. "Barrister ;" which horse, though showing

showing the quality that might be expected from his pedigree (by Doncaster out of Black Gown) has grown to 16 hands 2 inches, and has become leggy and comparatively shallow in barrel.

5. Thirteen Arabs were purchased in the Bombay and other local markets for the districts of Bengal and Panjab, and 15 more Arabs were bought for distribution in the breeding districts of the Bombay Presidency. All these are reported as of good stamp and likely to become useful stud horses.

6. One Norfolk trotter and one stud-bred were returned from the Central India Agency to the Hapur Depôt, and one T. B. E., one Norfolk trotter, and two Arabs were sent thence for service in Sind and Biluchistan.

7. In Bengal the number of deaths among stallions was 14, as shown in Appendix I. The causes, as shown in Appendix II., were,—from colic four, fever one, anthrax one, apoplexy one, strangulated hernia one, poison two, peritonitis one, accident one, mal de coit one, congestion of lungs one. Clear proof from chemical analysis was afforded of arsenic having caused the death of the two horses recorded as "poisoned." Magisterial inquiry did not bring proof home to the suspected parties, but strong suspicion rested on a person, an enemy of the syces in charge of the two horses that died. Decrease. Casualties.

In Bombay three horses died from colic and ruptured stomach.

8. In Bengal five horses were destroyed; three from old age, one from incurable barsati of penis, and one for fracture of leg. In Bombay three were destroyed, of which one was from disease of hock-joints, another from dropsy and general debility, and the third from being old and worn-out.

9. The following table shows the percentage of casualties in this and the previous year:—

		1885–86.	1884–85.
Died	Bengal	4·51	1·27
	Bombay	3·37	6·66
Destroyed	Bengal	1·61	3·83
	Bombay	3·37	8·00
General Average	Bengal	6·12	5·11
	Bombay	6·74	14·66

10. In Appendix III. are noted sales of stallions during the year. Fifteen in Bengal and three in Bombay. It will be observed that fifteen were sold for old age, and the rest from other causes rendering them unfit for stud work. Sales and transfers.

11. Four stallions were transferred from the Bengal to the Bombay register for service in Sind and Biluchistan, and the consequent decrease and increase have been accordingly noted under the returns of the respective Presidencies.

12. At the close of the year under report, the number of stallions present was as follows:— Number of stallions present.

	Bengal Presidency.	Bombay Presidency.
Thorough-bred English	72	11
Half-bred English and Norfolk Trotter	138	13
Australian	5	1
Arab	76	64
Persian	1	—
Stud-bred	16	—
Turkoman	2	—
TOTAL	310	89

13. These

13. These

Classification.

13. These horses have been classified and distributed as noted in Appendix IV. The classification is that recorded by the officiating superintendent, Bombay Presidency, and the assistant superintendents in Bengal. Summarised, it is as follows:—

	Bengal Presidency.	Bombay Presidency.
Very good	74	45
Good	179	29
Fair	50	11
Bad	1	—
Worn-out	6	—
Not seen	-	4
TOTAL	310	89

In Bengal the six worn-out have since been disposed of, and the one reported "bad" by the assistant superintendent, Panjáb, has been transferred to the North-Western Provinces for my inspection, prior to final orders being given regarding the horse. In Bombay the four reported as "not seen" by the officiating superintendent were transferred from Bengal; two have been pronounced very good, and two good.

Distribution.

14. The distribution of stallions in the breeding districts during the last ten years has been as follows:—

Presidency.	Province.	1876–77.	1877–78.	1878–79.	1879–80.	1880–81.	1881–82.	1882–83.	1883–84.	1884–85.	1885–86.
Bengal	North-Western Provinces	152	160	194	148	144	148	107	116	125	133
	Rajputana	2	7	7	5	5	6	6	2	–	1
	Panjab	127	136	123	156	165	161	184	190	188	176
	TOTAL	281	303	324	309	314	315	297	308	313	310
Bombay	Deccan	–	–	27	41	40	45	47	41	37	45
	Gujrat and Kathiawar	–	–	17	22	20	24	20	18	18	19
	Sindh and Cutch	–	–	12	12	9	9	13	16	17	17
	Biluchistan	–	–	–	–	–	–	–	4	3	8
	TOTAL	–	–	56	75	69	78	80	79	75	89

* Not included in this Return.

15. The names of the stallion stands in the districts are shown in the maps* of horse and mule-breeding operations in the pocket of the cover of this report. It will be observed that the horse-stands are marked in red and the donkey-stands in green. The number and classes of horse and donkey stallions, and number of branded mares of each district, are given in Appendices V. and VI.

Strength of stallions.

16. The strength of stallions in Bengal is shown as 310, and in Bombay 89; but the number at service was 281 and 71 respectively; those in excess of these numbers were unacclimatized or temporarily unfit.

The sanctioned strength for Bengal is 300. No limit has been as yet assigned to Bombay.

In letter marginally noted I earnestly solicited an increase in strength, in order to meet the growing demands; but in reply the Secretary in the Military Department stated that "the Government of India are not prepared to extend horse-breeding operations until the results show that thereby horses can be provided fit for remounting the British mounted branches. The fixed establishment of 300 stallions for Bengal must not be exceeded, and I am therefore to request that you will submit, for the consideration of the Government of India, a revised demand for stallions required during 1885–86, framed to provide only for casualties in the sanctioned establishment of 300 stallions and no more."

No. 6 M.D., dated 20th April 1885.
No. 915 D., dated 20th July 1885.

17. This subject is again referred to with the hope that the request for more stallion power may be reconsidered and the additional requirements granted, in order to allow due development of horse breeding on the lines on which the Department

Department of horse-breeding operations were inaugurated; and especially I submit the expediency of not disappointing the owners of branded mares by not granting them the services of a sufficient number of stallions as promised to them.

18. Should the Imperial Government decide not to add to the strength of horse stallions in Northern India, I have to suggest that the local governments of the North-Western Provinces and Panjáb may be moved to enjoin district boards, in those districts where more stallions are wanted, to obtain additional sires, so that horse-breeding interests may be locally encouraged.

19. It has been requested in this office letter, No. 81 M.D., dated 6th February 1886, that stallions be supplied from England this trooping season (1886-87), as follows :— **Future supply of stallions.**

	Thorough-bred English.	Norfolk Trotters.	TOTAL
For Bengal Presidency - - - -	8	12	20
For Bombay Presidency - - - -	4	- - -	4
TOTAL - - -	12	12	24

20. The comparative merits of the different classes of stallions employed have been alluded to in former reports. Summarily, it may be here noted that the best produce for army remount purposes is obtained by the half-bred English under the names of Roadster and Norfolk Trotter. These horses get better limbed and generally more powerful stock than any of the other classes. **Comparative merits of stallions.**

21. As a rule, the thorough-bred English is found not to produce, out of the country mares, stock with good legs; and there is a marked tendency in the produce to become leggy and shallow in barrel. Again, the stock of the thorough-bred is found, as might be expected, not so hardy as that of the Norfolk Trotter and Roadster sires. Indeed, there is no comparison between the produce of these two classes of stallion; and I am inclined to the belief that if the Norfolk Trotter produce proves in the ranks as good as it promises, that it will be wiser on the part of Government to import more of this class of sire and less of the thorough-bred English.

22. The Arab stallions produce a small-sized but hardy horse out of the country mares. Some of the stock is remarkably good in bone of leg; others are not in this respect good, and this depends doubtless upon the Arab horses of late years obtainable not being so true bred as they used to be. Indeed, the admixture of more or less Persian blood, in order to give increase in stature to the stock, has caused deterioration in joints and bones of limb. The great beauty observable in well-defined and large joints, bones, and sinews of the Arab horse's legs is not so usually noticeable as it was 30 years ago. Occasionally a true-bred Arab is seen in the Bombay stables, and his quality and beauty are at once noticed by the experienced eye, but on account of his being, as a rule, from 13-3 to 14-1 in height, he is looked upon as a pony, and is not accepted by Indian horse-breeders as fit to produce horses of any size and likely to realize a good price in the market. The desire that has of late years been growing among cavalry officers in the Indian Army to obtain larger horses for the ranks, has caused the little but sterling Arab stallion to be at a discount in the eyes of breeders. Again, the order that officers' Arab chargers must not be less than 14-2, and preferably more, has induced Arab and Persian importers to meet the demand by breeding stock of larger size by crossing the Arab horse with the Persian mare. Thus the pure-bred Arab stallion is not so often seen as in former days.

23. A few Australian stallions at service have produced fair stock, and as doubtless the Australian thorough-bred has, at this time, far better limbs than

his relatives bred in England, it seems advisable to obtain thorough-bred sires thence, in order to test their powers as stock-getters with the country-bred mares of India.

24. The Director of Army Remount Operations for India, in the report submitted by him after his return from Australia, noted having found, in certain districts of Australia, thorough-bred stock, with large bone of legs, and promising in every respect as sires for Indian horse-breeding. I therefore obtained from the Director a list of stock-owners in Australia likely to import to Calcutta thorough-bred colts of a certain stamp; and with the sanction of the Government of India, in a circular addressed to these gentlemen, I stated that I would be prepared to purchase a given number of stallions in Calcutta of the stamp described and to be approved by me. Of these circulars 12 were sent, but up to date I have received only one reply, that from W. J. Dangar, Esq., Neotsfield, Singleton, N. S. Wales, who states as follows:—"I shall have much pleasure in doing what I can for you in informing breeders of your requirements. I must, however, say at the outset that there are very few breeders who breed the description of horse you require, and who would care to export them for the money.* We are in quest of the same kind of horse ourselves. The stallions mostly used are those which have been on the turf. The good ones, fit to breed from, are worth 500 *l.* to 1,000 *l.*, and those which might be got at your figure would not be the sort you require, nor indeed would it be judicious to breed from them, being mostly on the leg without substance. This is not saying much for our horses, but the fact is, breeding is such a hazard, the good ones are exceptions, and most breeders only breed for the turf.

Vide Government of India, Military Department, No. 127D., dated 17th January 1885.

No. 1568D., dated 6th October 1885.

*Rs. 2,500 each.

"Your best plan to get horses at all would be to get them here. No one would send horses to Calcutta to be approved of on inspection by yourself or deputy, especially, as I said before, they can get more here for such stallions as you describe, and which are very hard to obtain. Our new Governor (Lord Carrington), who has just arrived, would not risk getting horses here, and has sent seven or eight from England, but from what I hear there is nothing remarkable about them. We drive horses here with more blood and lighter traps. Please do not take my opinion as general; you may get various opinions on the subject."

25. It therefore appears probable that stock-owners will not run the risk of importing stallions to India, and so it remains for the Government of India to consider whether, in order to induce such importations, it will be advisable to depute a reliable officer to the Australian Colonies with a commission to purchase, say from 10 to 12 thorough-bred entire horses from four to six years of age of the stamp required for stud purposes, and thus show breeders and importers of horse stock of Australia the kind of stud horse that is wanted in India.

26. As regards the classes of stallions in use in this Department, in a correspondence which I will quote below in full, I have recorded my opinion. The object of Government is to breed horses fit for army purposes, indeed, for general useful work; therefore, the stamp of sire found best suited to produce such stock out of the mares of the country should be provided. I believe I have adduced proof that the thorough-bred English horse of the present day is not the sire required for the purpose above indicated. The stallions of this class that have been sent by the Right Honourable the Secretary of State for India during the last 10 years have been, as a rule, in appearance all that could be desired, but their stock are found not well suited for Army work. It therefore seems advisable that no more thorough-bred English stallions be imported. The mares of the country possess ample blood, *i.e.*, powers of endurance, but they are wanting in stature, bulk, and size of limb; so in order to obtain good army horses from them, stallions of power, size, and bone possessing sufficient blood, *i.e.*, hardiness, should be provided.

27. The total cost of feeding and attendants, including road expenses consequent upon issuing of horses to districts, also construction and repairs of stallion

stallion stables in the country, cost of stable gear, &c., will be found in Appendix VII. The general average during the last nine years has been as follows :—

Presidency.	In 1877-78.	In 1878-79.	In 1879-80.	In 1880-81.	In 1881-82.	In 1882-83.	In 1883-84.	In 1884-85.	In 1885-86.
	Rs. a. p.	*Rs. a. p.*	*Rs. a. p.*	*Rs. a. p.*	*Rs. a. p.*	*Rs. a. p.*	*Rs. a. p.*	*Rs. a. p.*	*Rs. a. p.*
Bengal - -	253 5 2	286 - 3	290 2 4	270 11 11	235 10 11	232 2 2	232 8 9	228 13 3	230 15 -
Bombay -	- -	442 9 -	358 5 -	301 1 -	272 8 7	285 9 11	319 10 8	339 5 3	317 6 5

An increase in cost to the amount of *Rs.* 1. 15. 9. per horse in Bengal is shown; and a decrease of *Rs.* 21. 14. 10. per horse in Bombay is noted. The difference in the rates is attributable to either the market rates of forage being higher or lower, or to a fewer or greater number of transfers. Taking the rates generally, I consider them moderate; I may add that I take every opportunity of enjoining the strictest economy compatible with careful management in all matters connected with the shelter and care of the valuable stallions.

Paucity of stallions.

28. With regard to the demand for the services of stallions, Mr. Glover remarks in his annual report:—"The services of the stallions in this charge have again been well sought after. The 109 stallions engaged in covering work during the year having served an average of 41·91 mares per stallion, and many of them covered up to 50 mares during the year, it may be noticed that the average coverings per stallion is only slightly higher than last year. This, however, is owing to a larger number of stallions being employed in covering work during the year than what were at work last year, and of course had the same number of stallions as last year been employed, the average coverings per stallion for the year under report would be much higher.

"It must, I think, be admitted that the stallions have been well employed during the year, and I may be permitted to doubt the advisability of increasing the number of mares to be covered by each stallion in the year to not less than 50, as laid down in your No. 285 A. N. of 30th November 1885. It should, I think, be remembered that although statistics for the year show, as above stated, an average number of over 41 mares covered per stallion, the average number of leaps per stallion is double that number; as it is the custom for every mare to be served twice, usually morning and evening of the same day, or if a mare is served for the first time in the evening she generally comes next morning for the second leap; the average number of times each stallion covered during the year under report has therefore been over 82, and when it is remembered that fully three-fourths of the mares covered during a year are served during the six months, from February to July, the months of March, April, May, and June being really the covering season, the tax on the stallions during half the year is, I think, anything but light; and if the number of mares per stallion is increased the stallions will certainly, during the hot weather months, be overworked, a large number of mares will go empty, giving a smaller proportion of foalings to coverings, and many of the foals which will be dropped under such circumstances may prove weak and sickly, as being the produce of our overtaxed stallions.

"I would respectfully suggest that the subject be re-considered, for if the order is carried out, independent of running the risk of such probable results as I have just mentioned, the very fact of raising the number of mares per stallion from 40 to 50 will have a bad effect both with horse-breeders and stallion-keepers of these parts; and particularly so if mares are found to go empty or produce indifferent stock when covered by a Government stallion.

"What was written in the year 1822 by that pioneer of horse-breeding in India, Moorcroft, is equally applicable to the present time; and I doubt if I can better explain myself than by quoting from his report to the Board of Directors, written in the year just mentioned, and in which, at page 47, he writes:—'If the supply of stallions keep not equal pace with the increase of breeding, the check will unhinge the confidence and damp the exertions of the breeders.' The usual proportion of foalings to coverings, generally about one-third, is, I consider, quite low enough, and instead of running any risk towards reducing that proportion, everything should be done towards getting better results."

29. On this subject Mr. Garratt states :—"I now beg to point out some of the difficulties which exist in the way of bringing the covering of each stallion up to 50 per annum, as laid down in your No. 239 A. P., dated 30th November 1885. It frequently happens that several mares are brought to a stand, where there is only one horse, on the same day; the individual bringing his mare is unable to remain two, three, or perhaps four days before the services of the stallion will be available for him, or perhaps by such time as stallion is available, mare may be out of season; in either case he takes his mare away, and perhaps does not bring her again to a Government stallion for fear of same result, but avails himself of the services of the first country stallion he happens to meet with. Of course, these cases only refer to the poorer class of zamindár who has but one mare, and does not go regularly in for improving his horse stock. In other cases, owners in certain districts will take a dislike to a stallion because he may have a few white hairs on one of his coronets, or some other such trivial reason, and so will have their mares covered by such-or-such a horse, or not at all; so leaving one horse, and crowding for another, without any fault of the one or superiority of the other, but simple prejudice. Then, again, it frequently happens that mares do not hold the first time of covering, and so require covering twice or even three times in a season. When this is the case it is only counted in the number of mares covered as one. Some stallions in the middle of a season when weather is hot get lazy and are a long time before they can be got to cover, although they may be sure foal-getters, and at the beginning of a season when sent out from the depôt are as keen as possible. Now, with natives, nothing disgusts them more than a slow coverer; however good a horse he may be, if he does not cover at once they are not satisfied. Of course, this is not intended to apply to the enlightened native, who, in many instances, has a really good eye for a horse, and knows exactly which horse is most suitable to his mare; but it does apply to a very large number of men who bring their mares to the Government stallions, and so cause a great rush on some stallions, while others are left with only half a list full. It is not to be expected that all stallions can be equally good, or equally popular, yet all are expected to cover an equal number, and that number (50) I consider to be the maximum, when, as I have stated, one mare may require to be, and is, covered two or three times in a season."

30. There is much in what has been stated by both assistant superintendents, with reference to stallions' services being called upon chiefly in the months from February to July, especially during March, April, May, and June; these representing the covering season in the North-Western Provinces.

31. Though in the rules regarding the management of stallions it is strictly ordered that —

"A stallion should not be allowed to serve more than twice in one day (either one mare twice, or two mares once each), viz., once in the morning and the other in the evening;

"He is not to cover more than five times during the week;

"He is not to serve more than 50 mares during the year;"

Still, when a crowd of mares do come at the same time, it is questionable whether the rules are duly acted up to or not, for it must be remembered that many of the stands are in out-of-the-way places, and, in some instances, not within ken of the public eye, so it is possible that the rules laid down are, at such times and places, infringed, and thus an overtaxed stallion may, as Mr. Glover points out, not duly fill his mares. Again, if the rule limiting the number of mares to be served in a given time are strictly acted up to, some owners who have brought their mares will not, as noted by Mr. Garratt, wait till the time when the turn for their mares to be served arrives, as they know the mares will not remain in œstrum so long, so they are driven to take them to other inferior stallions within reach, or probably will allow the first stallion pony, irrespective of merits or demerits, to cover their mares so as to get them in foal, and thus not lose a year of breeding.

32. It will be obvious that, as a rule, mares come in œstrum during a limited time of year, and remain in that state for only a few days, and do not always again come in œstrum, or if they do, they may at an uncongenial period with regard to foal dropping.

It must often occur that a stallion with his 50 mares allotted to him cannot cover, according to the necessary rules laid down, all his mares if they come in season within a limited period, *i.e.*, about the same time, which, as is well known, generally happens.

Could it be arranged that the 50 mares allotted to him be in turn in œstrum at the rate of three per week, over a period of five months, the bringing up of the percentage of coverings to 50 per stallion would be an easy matter, but as this is impossible, so is it not practicable to bring the average up to the mark required by Government. The only sound course to pursue is to allow of additional stallions, so as to prevent the chance of overtaxing the powers of the stallions and to afford every hope of mares not remaining empty.

It has been my desire to act up to the orders of Government, and now having tested the results of the carrying out of the instructions, I am obliged to once again urge the expediency of granting more stallion power in the breeding districts.

33. At the end of last official year there were, on the registers, branded mares as follows:—

Branded mares Number of—

Bengal Presidency - -	North-Western Provinces -	5,657	
	Panjáb - - - -	10,750	
			16,407
Bombay Presidency - -	Deccan - - - -	776	
	Gujarat and Kathiawar -	1,308	
	Sind and Cutch - -	855	
	Biluchistan - - -	79	
			3,018

34. During the year under report additional mares were branded and registered as follows:—

Bengal Presidency - -	North-Western Provinces and Rajputana - -	482	
	Panjáb - - - -	922	
			1,404
Bombay Presidency - -	Deccan - - - -	364	
	Gujarat and Kathiawar -	310	
	Sind and Cutch - -	375	
	Biluchistan - - -	60	
			1,109

Four hundred and fifteen mares were received in Bengal by transfer from other districts.

35. The following numbers of branded mares have been removed from the registers for the reasons noted below:—

	Bengal.	Bombay.
Died - - - - - - - -	886	28
Sold - - - - - - - -	559	3
Stolen - - - - - - - -	59	—
TOTAL - - -	1,504	31

 36. On

36. On the 31st March 1886 the total number of branded mares on the registers, as shown in Appendix VIII., was as follows :—

Bengal Presidency - -	North-Western Provinces and Rajputana - -	5,726	
	Panjáb - - - - -	10,996	
			16,722
Bombay Presidency - -	Deccan - - - - -	1,125	
	Gujarat and Kathiawar -	1,602	
	Sind and Cutch - - -	1,230	
	Biluchistan - - -	139	
			4,096

The increase in Bengal has been less than in preceding years, and this is due to instructions issued from this office in a letter addressed to the assistant superintendents, to the effect that the greatest care must be exercised in only allowing the best of mares to be branded, on account of the paucity of stallions and the fact of the Government of India having ruled, in letter alluded to in paragraph 16 above, that no increase in the strength of stallions could be for the present allowed.

Nos. 130 A.N., and 122 A.P., dated 13th July 1885.

37. One thousand one hundred and nine mares were branded for horse and pony breeding in Bombay. The Bombay Government, in Resolution marginally noted, state:—"Many districts in which few mares have as yet been branded were not visited by Mr. Grainger. In view of the orders passed on the last Administration Report, it is not clear why that officer did not spend more of his time in the Deccan. But Government are aware that the work of the whole Presidency is too heavy for a single superintendent to perform satisfactorily, and it is now under consideration whether authority to brand good mares should not be conferred upon such local officers as are known to be peculiarly fitted for the task of selection." With reference to this subject the Government of India have decided that, "as a temporary measure, civil officers may be empowered to grant certificates to owners of good-looking mares of size and substance to have them mated with Government stallions until the Superintendent of Horse-breeding Operations, Bombay, visits all the breeding districts of the Presidency."

Revenue Department, No. 5,833, dated 13th August 1886.

Military Department letter, No. 2078 S.D., dated 20th October 1886.

38. It is quite true, as observed by the Bombay Government, that the work allotted to the Superintendent Horse-breeding Operations in that Presidency, is too much for a single officer to duly perform, and as under the present financial pressure it cannot be expected that Government will give any additional strength, I have arranged, with the sanction of the Government of India, and approval of the Bombay Government, to perform the executive duties of the superintendent Bombay Presidency this winter in Sind and Biluchistan, in order that that officer may devote the whole of his time to visiting the districts in the Bombay Presidency, especially the Deccan.

Progress in horse-breeding.

39. In the reports of the executive officers of the Department on the several districts within their respective charges, they have fully entered into the progress or otherwise made in horse and mule breeding.

Mr. Grainger, the Officiating Superintendent Horse-breeding Operations, Bombay Presidency, states:—"I do not consider the Sholapur country well suited for horse-breeding. If the owners of the small pony mares could be advised to try mule-breeding this would soon prove a far more valuable industry." With regard to the Dhárwár district he says:—"The country seems to be well suited for pony and mule breeding, and several pony stallions have already been sent there." The remarks made in Cutch are:—"Altogether, I think, the prospects of horse-breeding operations in Cutch are most promising." Under Ahmedabad district it is noted:—"I do not consider the number of mares brought forward during my tour in the Ahmedabad district at all satisfactory. In all I visited three talukas of the Ahmedabad district, viz., Viramgam, Dholka, and Dhandhuka, travelling about 183 miles, and I may state that it is hardly worth while my making another tour in this district for the next two years."

40. Mr.

40. Mr. Glover, the Assistant Superintendent Horse-breeding Operations, North-Western Provinces and Rajputana, has summarised the extent of progress made in horse-breeding as follows:—The districts of Saháranpur, Muzaffarnagar, Meerut, Aligarh, and Bulandshahr as "good;" those of Kurnal, Hissar, Moradabad, Sháhjahánpur, Delhi, Umbalia, Gurgaon, Budaun, Rohtak, Muttra, and Agra as "fair;" and those of Etah, Bareilly, and Bijnor as "indifferent."

41. From the report submitted by Mr. Garratt, Assistant Superintendent Horse-breeding Operations, Panjáb, it appears that horse-breeding is progressing satisfactorily in the districts of Rawalpindi, Jhelum, Multan, Lahore, Gujrat, Gujranwala, Gurdaspur, Muzaffargarh, Shahpur, Jhang, and Amritsar; but in the districts of Montgomery, Sialkot, Kohat, Bannu, Dera Ismail Khan, and Dera Ghazi Khan, the industry did not show any appreciable improvement.

Standard of mares.

42. The instructions I issued last year with regard to the raising of the standard of mares, as quoted in paragraph 27 of last year's Annual Administration Report, have been duly attended to, and thus, year by year, the brood stock of the country will become of greater value; indeed, as regards the mares now at brood, the remarks here and there made in the annual reports of the assistant superintendents afford proof that many of the improved stock are very good, and that generally they can be accepted as fit for stud purposes.

43. Mr. Glover notes:—"As the mares improve, the stock will also be correspondingly affected, and as you are aware that the standard of stamp and suitability for mares receiving the brand has annually, even before the issue of your recent orders, been gradually and judiciously raised, it is but natural that the stock should for the present show annual improvement; though in years of drought or sickness their appearance may be disappointing."

44. Mr. Garratt states:—"The number of mares branded this year is not so great as it would have been owing to the standard having been raised according to your No. 122 A.P., dated 13th July 1885, and in which you restrict branding to mares by Government stallions or of exceptionally fine stamp."

45. Indeed, it can be accepted that the stamp of mares kept for breeding purposes in Northern India is annually improving, so that at the present date some may be found exhibited at horse fairs and shows of a class all to be desired.

Number of mares covered.

46. During the last eight years the number of mares covered by Government stallions has been as follows:—

YEAR.	Bengal Presidency.	Bombay Presidency.
1878-79	4,260	1,825
1879-80	5,145	1,881
1880-81	6,005	2,185
1881-82	7,020	2,403
1882-83	8,357	2,508
1883-84	9,280	1,792
1884-85	9,984	1,884
1885-86	10,340	2,307

The steady increase shown by the above figures affords proof of the sure progress in horse-breeding.

47. The number of stallions employed in Bengal was 281, against 277 last year. The average of mares covered, as shown in Appendix IX., is:—

In North-Western Provinces	41·91
In Panjáb	33·62
In the Bombay Presidency	32·16

The increase in coverings is satisfactory. Bombay will doubtless show a better average after the superintendent has visited all the districts. In paragraphs 28 to 32 of this Report, the reason why it cannot be expected to bring the average up to 50 mares per stallion has been fully explained.

Produce. Number of—

48. The general percentage of produce to mares covered in Bengal was 33·04 compared to 33·84 last year; and in Bombay 34·06, against 34·16 shown in last year's Report. Commenting on this subject, Mr. Glover remarks:—"The number

number of foals dropped during the year to the 4,242 coverings of 1884-85 has been 1,272, or a proportion somewhat below the usual average of one-third of the number of coverings, of which they are the results. The proportion of foals to the number of stallions employed in producing them shows, however, a slight improvement over last year, being 12·48 foals per stallion, as against 12·22. The proportion of foalings to coverings is not, however, satisfactory; and as in the number of foals produced begins the crucial test of the success or otherwise of our operations, it is, I think, a matter for serious consideration as to whether in the high average of 41·58 coverings per stallion during 1884-85, the stallions had not been overworked, a larger number than usual of their mares consequently going empty. With a view to ascertaining if such has been really the case, I have gone carefully over a list of the stallions employed in covering during 1884-85, showing the number of mares each covered during the year, and the result in foals. I find that of the 102 stallions employed, 36 covered over 40 mares during the year; the foaling results during 1885-86 showing that only seven of the 36 filled a proportion of one-third of the number of mares they covered, 17 of the 36 got in foal under one-fourth, and of the 17 eight filled under one-fifth. These statistics, I think, go to prove that it would be injudicious to increase the number of mares to be covered by each stallion in the year to 50, and I would strongly recommend the matter being re-considered with a view towards increasing the number of stallions, rather than run any risk of overtaxing those we already possess, and the results of which will probably be that a large proportion of the mares covered will go empty, which will of course have the effect of making breeders discontented; they will lose faith in the Government stallions and, as a final result, horse-breeding will receive a serious check."

Annual inspection of brood stock.

49. During the year the assistant superintendents visited as many of their respective districts as time would allow, and were present at the several horse fairs and shows held within the provinces in which they conduct their duties.

It is most unsatisfactory that they cannot duly perform their duties, not having sufficient time to do so; in fact, they cannot possibly duly visit the breeding districts so as to allow owners an early opportunity of bringing newly-purchased mares for inspection and branding, so of course these owners cannot wait for months pending the next visit of the assistant superintendent, and doubtless have their mares covered by some worthless country horse or pony, and horse-breeding interests suffer.

Cast mares sold to *bonâ fide* breeders.

50. Adverting to paragraphs 33 and 34 of last year's Report, only a few cast mares of British cavalry and artillery were handed over to this Department for sale to breeders. In Appendix X. their disposal has been shown. In future years no more cast mares will be received.

Number of country bred remounts purchased.

51. The demand for remounts during the year under report was extraordinary, owing to Government having ordered the raising of two additional regiments of native cavalry in Bengal, and an extra squadron in each regiment of Bengal and Panjáb cavalry. An opinion prevailed that the number required would not be obtained in the local horse marts and breeding districts; but on being consulted by the authorities, I expressed my belief that the supply would be equal to the demand.

52. The number of country-bred remounts purchased during the official year will be found in Appendix XI. Summarily, the numbers are:—

	Bengal Presidency.	Bombay Presidency.
Army Remount Department	117	11
Bengal Native Cavalry	2,736	—
Panjab Native Cavalry	503	—
Police Department	54	175
Bombay Native Cavalry	—	1,080
TOTAL	3,410	1,266

But during the purchasing season a total number of not less than 5,500 home-bred remounts will be found to have been purchased in Bengal. The particulars

No. 44 M.D., dated 24th September 1886.

particulars have been alluded to in a letter I have addressed to the Government of India, Military Department, which will be found below quoted. Of the number shown in Appendix XI. as purchased, 1,930 were entires, 1,984 mares and fillies, and 762 geldings; of the latter 731 were purchased in Bengal, and only 31 in Bombay—most practically is proof afforded that the castrating of colts is becoming more common; more especially in Bengal, where the services of salutris have been supplied in districts where required. But the fact of 1,984 mares and fillies having been bought, doubtless owing to the pressing demand for remounts, is not satisfactory, as not tending to promote the interests of horse-breeding.

53. It is gratifying that breeders are gradually finding it better not to sell their foals to dealers, but rather to rear and sell them from two to three years of age in the local marts; the returns below to be alluded to prove this fact.

54. I deem it very necessary to record in this report the number of purchases of country-bred remounts during the last 10 years, in order to show what the local remount supply has been. Briefly, it has to be stated that the supply for Native cavalry and police wants has been equal to the demand, even under the extraordinary requirements of the year under report, and as this subject has been fully entered upon in recent letters from my office to the Government of India, I now quote them in their entirety.

No. 44 M.D., dated 24th September 1886. No. 51 M.D., dated 20th October 1886.

Letter No. 44 M.D., dated 24th September 1886.

"In reply to your Department Memorandum No. 1421 S.D., dated 25th August 1886, forwarding Military Letter No. 110, dated India Office, 29th April 1886, from the Right Honourable the Secretary of State for India to His Excellency the Right Honourable the Governor-General of India in Council, I have the honour to submit the following remarks:—

"Para. 2.—In 1876 the Departments of Horse-breeding Operations and Army Remount Operations were inaugurated in lieu of the Stud Department which had originally been established in 1794.

"Para. 3.—The results of the working of the Department of Horse-breeding Operations have been:—

"(*a*) The improvement of the stamp of horses throughout the breeding districts of India, not only with reference to the supply of army remounts, but also for the use of the public.

"(*b*) The extension of the horse-breeding industry by the inducements offered to make it an agricultural pursuit, by the Government offering prizes at horse shows, which have been established since 1876 in each breeding district, for the best of stock of different ages, the produce of Government stallions out of mares the property of agriculturists and horse-breeders; which mares have been inspected, approved, and branded by the officers of the Horse-breeding Department.

"Para. 4.—The improvement in the stamp of army remounts was brought to notice by His Excellency the Commander-in-Chief in India in letter marginally noted, and this opinion was, I believe, based upon the reports received from officers commanding corps of Native Cavalry. At the present time I hear it is acknowledged by the military authorities that the Native Cavalry of Bengal and the Panjáb were never so well mounted as they now are.

No. 3470 B., dated 28th August 1880, from the Adjutant-General in India, to Government of India, Military Department.

"Para. 5.—The reports of officers commanding British cavalry regiments and batteries to which Indian-bred remounts have been sent during the last four or five years are, I hear, satisfactory; inasmuch as not only are the horses approved for their general appearance, but also for their worth in performing their work, and in keeping in good condition when at work. On these latter subjects the Director of Army Remount Operations will be able to report more definitely.

"Para. 6.—With regard to the development of the horse-breeding industry, the operations have been duly recorded in the Annual Administration Reports of the Department. Summarily, it may be noted that the stallions supplied by the Right Honourable the Secretary of State for India, in compliance with indents submitted by the Right Honourable the Governor-General of India in Council, have been, on an average, about 27 per annum, and have been much approved; indeed, the officers of the horse-breeding department have good reason for expressing their acknowledgment of the excellence of the horses so provided. In addition to these, about 10 more of the best stallions available have been obtained by local purchases in India, and these have been chiefly of Arab blood and a few Australians. These sires are distributed in the breeding districts for the serving of mares, the property of native farmers and others, who adopt horse-breeding as a part of agricultural pursuits.

"Para. 7.—Mares only that have been inspected, approved, branded, and registered by the officers of the Department of Horse-breeding Operations, who are all veterinary surgeons, are allowed the services of the Government stallions. The number of these mares has annually increased, and at the end of last official year (31st March 1886) there were on the Bengal Register 16,722, and on that of Bombay 3,341; but in the latter Presidency the registration of mares has been only adopted since 1881, and portions of several of the breeding districts have not as yet been visited by the Superintendent of Horse-breeding Operations, so that many more mares will doubtless be brought on the Bombay Register.

"Again, a new field for horse-breeding is to be opened out this winter in Biluchistan, where the owners of mares are clamorous for stallions, and probably three or four thousand mares will be found fit for the brand and become eligible for the Government horses.

"Thus, by encouraging horse-breeding as an agricultural pursuit, and not only as a remount supply, doubtless the industry will continue spreading.

"During the last few years of the late stud department, the number of mares kept for brood in the North-Western Provinces and in Southern Districts of the Panjáb was stated to be approximately 15,000, but only 6,777 were found when inspected by the Special Stud Commissioners. It has to be noted that all the 20,063 mares branded and registered under the new *régime*, have been inspected, approved, and branded by the officers of the Department of Horse-breeding Operations, and it is calculated that about two-thirds of them are annually brought to the Government stallions. Returns of casualties among these branded mares are annually submitted, so that the registers are kept corrected, and thus the number remaining is ascertainable.

"Para. 8.—I will now invite attention to the above-mentioned duties and results having been performed and effected by a Department which I have had to explain in the Annual Administration Reports, is undermanned, there being only the following officers in it:

"General Superintendent Horse-breeding Operations;
"Superintendent Horse-breeding Operations, Bombay Presidency;
"Assistant Superintendent Horse-breeding Operations, North-Western Provinces and Rajputana;
"Assistant Superintendent Horse-breeding Operations, Panjáb;

and the extent of country each of the three last-named officers has to traverse varies from that of France to that of Germany, or even a greater area of country. I have frequently represented to the authorities the impossibility of each breeding district being visited annually by the veterinary surgeons in charge, and that it is unfair towards owners not to allow them the opportunity of having mares branded oftener than, in some instances, every second or third year; moreover, that the development of horse-breeding is marred by this state of affairs, as farmers do not retain mares for the Government stallions when they have to wait so long for them to be inspected and branded; and they put them to worthless sires to beget stock of no value to the State or public, and the country suffers. In this way horse-breeding operations, which the State so earnestly desires to have developed, are not duly fostered. Owing to the paucity of executive officers, I intend myself proceeding to Biluchistan and Sind in the months of January, February, and March 1887, to undertake duties which the executive officers have not time to perform.

"Para. 9.

"Para. 9.—Again, it has been urged in my annual reports that the number of stallions is not sufficient to allow of due development, but no additional strength has been sanctioned. I take this opportunity of once more recording that unless the department is allowed more veterinary surgeons, so that the breeding districts may be visited at least once, if not twice a year, and a more liberal supply of stallions be granted, the horse-breeding industry cannot be developed to the extent desired by the State.

"Proof by the results of the work of the last ten years is given that horses fit for all the mounted branches of the service can be bred in India, and in time every horse required for the army could doubtless be obtained in India; and surely it will be wise policy for the Government to have a home supply of army horses the money for which will be retained in India to benefit the horse-breeders of India, and practically encourage horse-breeding instead of continuing to send money to Australia, Persia, and Arabia for horses imported from those countries.

"Proof has been likewise recorded that under-officered and under-horsed as the department is, the horse-breeding industry of India has not been fostered and developed as the interests of the State and country demand.

"Para. 10.—Attached is a return marked A., showing the number of Indian-bred remounts purchased by the Bengal and Panjáb Native Cavalry since 1876, and of these it may be calculated that at least three-fourths have been the produce of Government stallions. A return of purchases made by the native cavalry of the Bombay army is not given, for, as above noted, horse-breeding operations on the lines adopted in Bengal since 1876 were only introduced in Bombay in 1881, and returns available are not complete.

"Para. 11.—On referring to paragraph 10 of the Annual Report of the Director of Army Remount Operations for India for 1885-86, which for facility of reference I place in juxta-position, I must remark that if it is intended to represent that only three country-bred horses suitable for British cavalry and artillery, were available at horse fairs and shows during the year under report (1885-86), I would suggest inquiries being instituted as to how many of the 2,020 remounts, four years and older, purchased for native cavalry at the same fairs and shows, as shown on the return attached, marked B., might be considered fit for the British mounted services; and I would at the same time urge that the purchasing officers of the Remount Department should be informed that it is advisable and expedient for Government to purchase every Indian-bred horse fit for the British service, so as to encourage local horse-breeding, and allow of breeders to have the benefit of receiving a higher price if possible than that given for native cavalry remounts. The Assistant Superintendents, Horse-breeding Operations, have frequently brought to my notice that horses fit for British cavalry have been available at fairs and shows, and not been purchased by army remount officers, or that no remount officer was present to buy. I can confirm these statements.

"In the expectation that a large number of horses suitable for British cavalry and artillery would be forthcoming at horse fairs and shows, orders were issued by the Director for the purchase of 53 at an average of *Rs.* 550, but only 3 remounts were bought at *Rs.* 448. 5. 4, and one animal obtained through regimental agency for *Rs.* 500 was posted direct to a battery of field artillery.

"In support of local horse-breeding interests, I can but state that the action on the part of the Remount Department, in not buying more country-bred remounts, is not fair towards the breeders and dealers, who have been led to believe that such purchases, and at higher prices than those paid for native cavalry horses, would be made. Doubtless Australian horses are available in any number in the Calcutta and Madras markets, but the local horse-breeding industry of India should be fostered and encouraged in a more evident manner than obtains.

"Again, the permission to buy young stock, from 18 months, now granted to the Remount Department, probably leads to the officers of that department preferring such stock to bring up in the rearing depôt, as I observe that 91 under three years of age were bought during the year; still I aver that every older horse, fit for British cavalry and artillery, should be purchased, with the view of inducing the breeders to rear their own stock, and thus in time prevent the Government having to be horse rearers. Neither horse-breeding nor horse rearing is the function of Government, and should not be encouraged.

"In the Government of India advertisement, annually published in the leading newspapers, it has been noted, the last year or two, that 100 country-bred horses would be purchased during the year by British remount officers; and thus the breeders are led to believe they will be able to sell only 100 to the remount officers for British cavalry and artillery.

"Para. 12.—In former correspondence, which I believe has been forwarded for the consideration of the Right Honourable the Secretary of State for India, but for facility of reference I attach, marked C. and D., on the subject of encouraging horse-breeders to become rearers, I therein noted and referred to the fact that breeders were inclining not to sell to dealers their very young stock, but to rear it themselves. By returns submitted of the number of breeders selling their stock as remounts, compared to the number of dealers, during last year's horse fairs and shows, confirmation of the facts expressed by me has been received; inasmuch as the proportion of sellers of stock being 1,334 breeders compared to 533 dealers (*vide* Statement attached marked E).

"Para. 13.—It has to be noted that during last purchasing season, owing to the raising of two regiments of Native cavalry in Bengal, and an extra squadron for every regiment of Bengal and Panjáb cavalry, in all, 23 regiments, not including the cavalry of the Corps of Guides, the demand on the Indian horse market was much greater than usual; but the supply was found sufficient even under this heavy strain; and in the aggregate not less than 5,500 home-bred remounts will be found to have been purchased; and I am aware that had another thousand been required, they would have been forthcoming. This satisfactory result could not have been effected in former times. Some of the Bombay cavalry remount officers also purchased in Bengal and the Panjáb during the same months, and their purchases have not been included in the above calculation. In the return marked B, attached, the purchases shown are those effected only to the end of the last official year, viz., 31st March 1886.

"The stamp of remounts now obtained in the local horse markets, as above shown, is acknowledged to be superior; and as regards cost, referring to para. 2 of letter No. 3097 B., dated 21st July 1886, from the Adjutant General in India to the Secretary to Government of India, Military Department, the average price of 592 remounts therein alluded to was *Rs.* 239. 6. 1., which amount must be considered moderate for an improved remount, and accepted as such. Indeed, in no other British possessions could good troop horses be bought at the price.

"Para. 14.—I may add, I am informed that some of the country-bred remounts issued by the Army Remount Department have been allotted as officers' chargers; but regarding these and other horses issued from the remount depôt to British cavalry and artillery, the Director of Army Remount Operations will doubtless be able to submit a report.

"Para 15.—It may be mentioned that both European and Native horse-dealers are known to give now as good prices for the improved country-bred stock as those realised by the majority of Australian horses in the Calcutta and Madras markets.

"Para. 16.—Before closing this report, I must acknowledge, with gratitude, the very cordial co-operation and assistance the civil officers in the horse-breeding districts in Northern India render the officers of the Department of Horse-breeding Operations in carrying on their duties. Without this hearty aid, the results above described could not have been attained."

LETTER No. 51 M.D., dated 20th October 1886.

"IN continuation of this office letter, No. 44 M.D., dated 24th September 1886, I have the honour to state that, after due consideration, I deem it my duty towards the Government of India to declare, with reference to paragraphs 11 and 12 of above-quoted letter, that if the Remount Department is permitted to continue purchasing young stock under three years of age, and the breeders, who having placed reliance on the promise made by Government to purchase older stock for British cavalry and artillery at higher prices than that given by Native cavalry, find that the Remount Department officers do not buy from them older stock, as has been unfortunately proved by only three having been purchased

purchased last year, they will certainly become disappointed and disgusted, and many will no longer attempt to become horse-rearers, but will sell their foals rather than run the risk of horse rearing, to obtain only Native cavalry prices for older stock.

"Para. 2.—Surely it is obvious that the policy of purchasing the young stock is suicidal on the part of Government, and equally impolitic is it not to have the superior older stock now reared by breeders, bought for British cavalry and artillery, and thus practically foster and encourage horse rearing.

"Para. 3.—In my letter above alluded to, I have affirmed that many head of older stock, *i.e.*, above three years of age, suitable for British cavalry and artillery, could have been purchased at last year's horse fairs and shows; and it is to me so important and expedient that such suicidal action should not recur, I earnestly suggest, if the Remount Department officers are not equal to their purchasing duties, the Government may direct other measures to be adopted by which the lamentable failing in last year's purchasing may not be repeated.

"Para. 4.—By your department letter, marginally noted, I observe that the Government of India has sanctioned either an officer of the Remount Department, or the veterinary surgeon of the purchasing committee, or a British cavalry officer being associated with the purchasing committees at horse fairs and shows, in order that any horses brought before the committees for sale, and considered fit for British cavalry or artillery, may be purchased and sent to the remount depôt; and I would express a hope that the officer appointed for the duty may be one selected as zealously inclined to obtain every country-bred remount found suitable for British cavalry or artillery, and not biassed in favour of colonial stock."

No. 1676 S.D., dated 16th September 1886, to the Adjutant-General in India.

55. Referring to paragraphs 36 and 37 of last year's Report, I have to express regret that purchasing officers have not obtained or duly recorded the pedigrees of remounts secured by them. In Appendix XI. it will be observed that of the 3,410 remounts bought in Bengal, 2,454 are shown in the column "Class of Sire not known." I once more urge that purchasing officers may be enjoined to insist on having the pedigree of each colt and filly, by a Government sire, bought, supplied, and recorded. Pedigrees are given by this department to the owner of every head of stock by a Government sire, and so can be nearly always obtained, if only duly demanded.

Pedigrees of Remounts.

56. During the year under report, by order of the Government of India, committees for the purchasing of native cavalry remounts have been convened to attend at all horse fairs and shows, and to itinerate through the best breeding districts. This measure was deemed necessary in order to prevent the continuance of competition, which always existed between purchasing agents of different regiments when attending the fairs and shows or when buying in the districts. The result has been satisfactory, inasmuch as competition was stopped as far as the different regiments were concerned, and remounts were obtained at a fair price. Moreover, many indifferent horses were refused when the competition ceased.

Native Cavalry purchasing Committee.

57. At first sight it might have been feared that horse-breeding interests would suffer by the above arrangement, but I did not think this likely, as outside the army, horse-breeders and dealers generally have purchasers ready to give the value of a horse; and so, doubtless, horses superior to the run of native cavalry remounts were disposed of in this manner. I had hoped that the Army Remount Department, purchasing for British cavalry and artillery, would have competed for the superior classes of stock, *i.e.*, horses worth more than the prices given for Native cavalry remounts; but as shown under paragraph 54 of this report, purchasing agents of the Army Remount Department bought only three during the year.

58. One subject, in connection with the organisation of these committee proceedings, was not borne in mind, viz., that in order to induce breeders and dealers to bring horses of a superior description before the committee, so as to allow them to be sold at a higher price than that given for Native cavalry horses, say *Rs.* 250, no purchasing agent for British cavalry and artillery was associated with the committees; hence breeders and dealers had cause for

feelings of distrust, with reference to the promise made by Government to give prices up to *Rs.* 550 for British cavalry and artillery remounts; and as the Remount Department purchased only three mature horses during the year, they had grounds for entertaining such feelings of distrust. By a recent ruling of the Government of India, his Excellency the Commander in Chief has been requested to appoint an officer on the purchasing committees to buy any horses suitable for British cavalry and artillery.

Military Department Letter, No. 1676 S.D., dated 6th September 1886, to the Adjutant General in India.

Improvement of horse stock.

59. By the reports of remount officers and the assistant superintendents of this department, it is generally acknowledged that the stamp of horses throughout the breeding districts of Bengal is surely improving; indeed, it is believed that the Bengal and Panjáb Native cavalry are now mounted on superior horses. I have now had a lengthened experience as regards the mounting of the native cavalry, and feel assured that at least one-third of the horses found in the ranks of the Bengal and Panjáb armies are quite fit to carry British light cavalry, and many able for medium cavalry. When recently looking at about 20 remounts purchased by the Native cavalry committee at a fair, an officer who was formerly in a hussar regiment was present and remarked that about 12 of the 20 would do for hussar work. That the officers of Native cavalry are generally of the opinion that their regiments are now better mounted than ever they were is an acknowledged fact.

60. As I am writing, a copy of the Amritsar Horse Show Report, submitted by the Veterinary Surgeon to the Panjáb Government, has been received in my office. I quote the following extract:—

No. 177 V, dated 12th November 1886.

"The dealers bought a great many very nice horses, of a class well suited for chargers in any regiment. In my opinion there were 17 animals in the fair, between the ages of two and four years, suitable for British cavalry and artillery; three of which for artillery purposes were fit to go into the ranks at once. I think it is a great pity that the Remount Department should not be represented at a fair like this. The stamp of animal I am speaking of is far beyond the price of Bengal cavalry, and even at their price is not an animal that would suit them. So far as I can make out, not one of the animals I mention were sold. This is not the way to encourage horse-breeding, while Government loses the services of a lot of valuable animals, and the owner has them thrown on his hands and is naturally disgusted."

This is strong language, but I believe not too strong. I do hope that the Imperial Government will order measures whereby this lamentable want of action on the part of the Remount Department may not continue.

Reserves of young remount stock.

61. I am aware that it is the desire of the Remount Department to establish "horse runs" for the rearing of young stock. My views on this subject have been fully explained in Appendix C. of this Report, and I again repeat that if Government interfere with horse rearing, by establishing horse runs for young stock purchased from breeders, the same grave error will be committed as was done in the old stud days, when Government purchased young stock and prevented breeders from learning how to rear horses. Surely the experience gained during 80 years of mismanagement should be sufficient to prevent a repetition of the blunder. But should the authorities desire to have a reserve of young horses, I strongly urge that such reserve may be limited to a number equal to one or two years' supply at the most, and to prevent mistakes being made in purchasing too young and totally unformed stock, only colts and fillies of not less than two years of age be bought. At that age a fair judgment may be formed of the promise given, by the make and shape of each head, but at a younger age, unless the stock has been forced, which is not done in India, the most practical breeder cannot, and certainly amateurs have no chance of forming any sound opinion of the stock.

Metropolitan Horse Fairs and District Horse Shows of 1885-86.

62. I have already submitted a full report of the Metropolitan Horse Fairs and District Horse Shows held during the year, and beg it may be attached as usual to this Report.

The

The amounts below specified were granted in prizes by the Imperial Government:—

	Rs.
NORTH-WESTERN PROVINCES:	
Aligarh Horse Show	975
Batesar Horse Fair	600
Bulandshahr Horse Show	1,250
Hardwár Horse Fair	600
Meerut (Nauchandi) Horse Show	1,500
Saháranpur Horse Show	1,000
PANJÁB:	
Amritsar Horse Show	500
Dehra Ghazi Khan Horse Show	2,000
Gujrat Horse Show	1,200
Jellalabad Horse Show	700
Jhang Horse Show	750
Lahore Horse Show	1,000
Multan Horse Show	2,000
Muzaffargarh Horse Show	1,000
Rawalpindi Horse Fair	2,000
Rohtak Horse Show	305
Shahpur Horse Show	1,000
RAJPUTANA:	
Pokhur Horse Fair	300
Tezaji Mule Fair	15
TOTAL *Rs.*	18,695
For the best runs kept up by zamíndárs	500
GRAND TOTAL *Rs.*	19,195

The numbers and quality of the stock exhibited at the several fairs and shows have been duly entered upon in the report above alluded to.

63. In the Bombay Presidency prizes at the undermentioned horse shows were awarded as follows:—

	Rs.	*a.*	*p.*
Ahmedabad	2,830	–	–
Ahmednagar	1,006	–	–
Poona	3,965	–	–
Rajkot	583	–	–
Rudra Mata	605	8	8
Shikarpur	4,043	–	–
Sibi	1,785	–	–
TOTAL *Rs.*	14,817	8	8
Add other expenses incurred	8,898	1	1
GRAND TOTAL *Rs.*	23,715	9	9

Of the latter amount, the sum of *Rs.* 6,383 was granted by the Bombay Government, and the balance contributed by local funds and subscriptions.

64. I have to add that I attended the Poona Horse Show of 1885. The report on the show has not been received in this office, but I wish to record my opinion that, although many of the brood mares exhibited were of a good class showing quality, most of them were light in bone, due to being the produce of thorough-bred English and Arab sires; consequently their produce, also by sires of the above breeds, was likewise light in limb. It is very evident that stallions of the well-bred Norfolk Trotter stamp are required in the Deccan, and unless these stallions are obtained and their services utilized with the mares kept for brood, good legged stock will not be produced. Poona Horse Show.

 65. I also

Amedabad Horse Show.

65. I also took the opportunity of attending the Ahmedabad Horse Show in March 1886. The brood mares and stock generally were small and light in limb. Twenty-five years ago, when Superintendent of the Stud Department in Bombay, I allotted thorough-bred English and Arab stallions to the Gujrat and Kathiawar districts; believing at the time that they would prove most suitable for improving the stock of the districts. The same classes of sires have been continued up to date, and the results are:—Produce very light in legs and up to little or no weight; certainly not fit for British cavalry or artillery, although some are suited for native cavalry.

66. In beauty of head and general neat conformation they are remarkable, but as a rule they are wanting in barrel. These facts are similar to those evidenced in Northern India, by using thorough-bred English and Arab sires. Indeed, a general utility horse cannot be obtained from the mares either in Bombay or Northern India, by having them mated to such sires; therefore it is expedient that the Norfolk Trotter stallion should be freely introduced in the Bombay Presidency, but as the mares are generally smaller, both in height and bulk than those found in Northern India, a smaller class of Norfolk Trotter stallion should, for some years, be provided for them; and after the filly produced from these horses has become larger, then a more bulky stallion should be furnished.

67. Bombay cavalry officers and sportsmen are, as a rule, fond of the small and well-bred though light-limbed horse on account of their having been accustomed to Arab and Persian stock; and so, in breeding they have a tendency to prefer stallions and mares of a similar stamp; but it must be remembered that it is the desire to breed a larger and more generally useful stamp of horse with the object of obtaining remounts fit for British cavalry and artillery, as well as for native cavalry; and this fact should be borne in mind by breeders in that Presidency, so that the money now sent to Australia for British cavalry and artillery remounts may be spent in India in purchasing horses of greater height and general size than are now obtainable in the Bombay districts.

68. The acknowledged fact that the thorough-bred English horse when mated to light-limbed country mares will produce as a rule only spindle-shanked and light barrelled stock should not be lost sight of. Again, it is so difficult now-a-days to secure any number of really pure bred and well-boned Arab stallions, that the stock of those Arab stallions now obtained are deficient in bone and always wanting in size.

69. Amateur breeders have, as a rule, one great failing, viz., using brood stock of a stamp more fitted for racing than for any other purpose. The aim for district breeding should be to produce horses that will prove generally useful for saddle and harness purposes, and not only for racing work.

Castration of Colts.

70. The number of colts castrated by Government salutris during the year under report is shown in Appendix XII.; and the number operated on during the last ten years has been:

	Bengal Presidency.	Bombay Presidency.
In 1876-77	38	—
„ 1877-78	122	—
„ 1878-79	255	—
„ 1879-80	425	—
„ 1880-81	551	—
„ 1881-82	782	11
„ 1882-83	913	71
„ 1883-84	950	129
„ 1884-85	1,161	82
„ 1885-86	1,138	122

These numbers include operations on mules as well as horses.

71. Adverting to this subject, the Assistant Superintendent, North-Western Provinces, remarks:—"Castration work during the year has been progressing fairly

fairly well. The difficulty in obtaining expert and energetic salutris for castration work tends considerably to retard progress. In accordance with the orders contained in your No. 354 A. N., of 3rd February, four men are at present being instructed at the depôt, with a view to their eventually becoming castrators. I hope the experiment will prove successful, and that before many months these men will be available for castration work."

72. The Assistant Superintendent, Punjáb, notes:—"498 colts and 35 mule colts have been castrated, against 492 and 70 last year, a falling off in the number of mule colts castrated. A great improvement in this respect may be expected next year, as more salutris have been allowed to districts."

Mule-breeding Operations.

73. On the 31st March 1885, there were the following numbers and breeds of donkey stallions:— Donkey stallions. Number of—

	Bengal Presidency.	Bombay residency.
Spanish	15	1
Arab	106	3
Bokhara	12	1
Panjábi	24	—
Italian	93	5
French	14	—
Persian	37	3
Herati	2	—
Home-bred	8	—
TOTAL	311	13

74. During the year under report the following donkey stallions were obtained:— Increase during the year.

		Bengal Presidency.	Bombay Presidency.
By importation	Italian	14	—
	Cyprus	10	—
Purchased in India	Khorasani	1	—
	Panjabi	1	—
Received from Bengal Presidency	Italian	—	3
	Persian	—	6
	K hrasani	—	1
	TOTAL	26	10

75. The undermentioned donkey stallions have been removed from the registers for reasons mentioned below:— Decrease during the year.

		Bengal Presidency.	Bombay Presidency.
Died	Arab	6	—
	Bokhara	1	—
	Panjábi	1	—
	Italian	3	—
Destroyed	Arab	4	—
	Bokhara	1	—
Sold	Arab	2	—
	Home-bred	2	—
	Panjábi	1	—
Transferred to Bombay Presidency	Italian	3	—
	Persian	6	—
	Khorasani	1	—
	TOTAL	31	—

The casualties are shown in Appendix XIII., and the sales in Appendix XIV.

Number of donkey stallions present.

76. At the close of the official year under report, the number of donkey stallions present was:—

	Bengal Presidency.	Bombay Presidency.
Spanish	15	1
Arab	94	3
Bokhara	10	1
Punjábi	23	—
Italian	101	8
French	14	—
Cyprus	10	—
Persian	31	9
Herati	2	—
Khorasani	—	1
Home-bred	6	—
TOTAL	306	23

Classifications.

77. The classification of donkey stallions present, as shown in Appendix XV., is as follows:—

	Bengal Presidency.	Bombay Presidency.
Very good	31	6
Good	178	5
Fair	91	3
Indifferent	3	—
Bad	3	—
Not seen	—	9
TOTAL	306	23

There appears to be some mistake in three Italian donkey stallions in the Panjáb having been classified as "bad." Inquiries are being made from the Assistant Superintendent, and the result will be communicated in next annual report.

Comparative merits of donkey stallions.

78. As noted in last year's Report, the stock produced by the different classes of donkey stallions has been found good; more especially the produce of the Italians and Catalans (Spanish). Those obtained from Cyprus have been issued and are now serving in the districts; their produce will be reported on in due course.

79. The demand for the services of donkey sires is on the increase. Mr. Glover, Assistant Superintendent, North-Western Provinces, states:—"The services of donkey stallions have been, I think, fully utilised, and I regret to have to report that owing to a paucity of stallions I have experienced considerable difficulty in meeting the demands of an increasing mule-breeding industry; and, as you are aware, it has been only by issuing some of the recently imported donkeys, untested and unacclimatised though they were, to stands adjacent to the depôt, that the difficulty has, in a measure, been overcome." The demand for donkey stallions steadily increases, and at the present time the supply is not equal to the demand; but it is hoped that some country-bred donkeys by Government sires may be obtained, during the year, so as to meet the increasing demand.

Mr. Sutherland's Memo. regarding the management of donkey stallions.

80. In a memorandum forwarded by the Right Honourable the Secretary of State for India to the Government of India for information, Mr. Sutherland, the well-known breeder and judge of donkey and mule stock in England, and purchaser of Italian and other donkey stallions for India, has recorded some very practical remarks regarding the management, &c., of donkey stallions. In order that these valuable notes may be placed on record, I attach a copy as Appendix XVI., of this Report.

81. The

81. The cost of the feed and keep of, and attendants on, donkey stallions in the districts is shown in Appendix XVII. The general averages of the last seven years have been as follows:— Cost of feed and keep of donkey stallions.

	Bengal Presidency.	Bombay Presidency.
	Rs. *a.* *p.*	*Rs.* *a.* *p.*
In 1879-80	181 1 5	Not furnished.
„ 1880-81	141 1 4	ditto.
„ 1881-82	105 9 2	ditto.
„ 1882-83	107 11 1	233 9 -½
„ 1883-84	116 3 5	194 4 8
„ 1884-85	119 7 11	240 13 10
„ 1885-86	122 12 1	202 15 6

The increase shown in Bengal is due to the Panjáb rates having been higher. The average in the Panjáb being *Rs.* 127. 3. 11; in North-Western Provinces *Rs.* 114. 8. 10; and in Rajputana *Rs.* 114. 5. 0.

With regard to the high rates in the Panjáb, the Assistant Superintendent notes:—

"Due to increase in price of grain in many districts, and shortness of grass in others, necessitating the purchase of green grass."

82. The number of pony mares covered by donkey stallions during the last three years has been:— Pony mares covered.

	Bengal Presidency.	Bombay Presidency.
In 1883-84	11,153	209
„ 1884-85	12,551	294
„ 1885-86	16,091	338

Thus there is practical proof of the spreading of mule-breeding as an agricultural industry in Northern India.

It is to be hoped that in Bombay mule-breeding may become more generally adopted. It simply rests with the Superintendent, Horse-breeding Operations, and civil officers to duly advise pony mare owners as to mule-breeding being very remunerative to ensure the industry being followed.

83. But in connection with this subject, I have to point out that in new mule-breeding districts, *i.e.*, in those parts of India where the mule has not hitherto been known, and where there is a bias against putting pony mares to the donkey, it is expedient for Government to foster and encourage the practice by purchasing, for the first few years, young mule stock; so as to allow mare owners to thus obtain pecuniary recompense for having adopted mule-breeding; as in these districts Government is the only purchaser for the present, and it cannot be expected that mare owners will keep mules until four years of age. The young mules purchased, say 10 or 12 months old, might be handed over to the Commissariat Department to be reared on Government farm, such as Karnal. By-and-bye, when the people see that they can obtain greater profit by keeping young mules up to three or four years of age, they will not be slow in retaining them for the higher prices.

This measure will be necessary in new mule-breeding districts for the first four or five years, and doubtless mare owners will be only too glad to learn how to rear their stock up to three or four years of age, as breeders do in the Panjáb, in which province mule-breeding has been adopted for many years.

84. As the weak strength of officers in the Horse-Breeding Department forbids the branding of pony mares, and all pony mares, irrespective of their relative merits, have access to the donkey stallions, so it can be understood that as the allotting of the best pony mares to the best donkeys cannot be undertaken, superior mules are not so often as might be bred; thus mule-breeding interests are not cared for as they should be. Branding of mule breeding mares.

Donkey mares covered by donkey stallions.

85. A certain number of donkey stallions will not cover pony or horse mares, but will readily serve mares of their own species. These stallions are kept for donkey mares, and their services are available in districts where the best donkey mares are to be found. During the past three years the number of donkey mares served has been :—

	Bengal Presidency.	Bombay Presidency.
In 1883–84	800	—
„ 1884–85	893	—
„ 1885–86	761	29

It will be observed that fewer mares have been served in Bengal. Mr. Glover remarks as regards the North-Western Provinces :—"There still appears to be little inclination among the natives to make use of the Government donkey stallions for donkey breeding. I have had it made thoroughly known that the services of a donkey stallion are available at the Babugarh Depôt for donkey breeding; and at the same time I have taken every opportunity of informing those who breed donkeys that Government would buy and give a good price for any donkey colts which might be likely to make suitable stallions. For some reason, however, donkey mares are not being brought to our stallions in the number which might be expected." It has to be noted that prizes are offered at horse fairs and shows for good donkey stallions. In the Panjáb donkey-breeding is carried on to some extent, and I have been able to secure a few good Panjáb-bred donkey stallions for distribution in mule-breeding districts. I have no doubt that donkey-breeding will gradually spread, as the superior Government donkey stallions offer every inducement to donkey owners to breed superior stock for sale to Government.

Mule stock; number of.

86. The returns received show that during the year under report 3,336 mules were born in Bengal and 30 in the Bombay Presidency, *vide* Appendix XVIII., but it has to be acknowledged that these returns can be but considered meagre and unreliable. I have explained above that owing to the officers of this Department not having time to give to the branding of pony mares kept for mule breeding, no data as to the number so maintained are available; moreover the returns of births are from the same cause scant, and cannot be accepted as of value. But doubtless mule-breeding being found so remunerative causes the industry to be readily adopted by very many pony mare owners.

Duties performed by Officers of the Department.

94. During the year under report, I visited and inspected stock in the districts; also attended horse fairs and shows on the dates noted :—

1885:		
April	2nd to 6th, Lahore	Inspection of stallions and site for new stabling.
„	7th to 10th, Hardwár	Attending horse fair.
„	11th to 13th, Amritsar	Attending horse show.
„	14th to 20th, Lahore	Examination of Veterinary School students.
„	21st to 4th, Simla	Attending Committee, Civil Veterinary Department.
May	5th to 8th, Babugarh	Inspection of depôt and stables.
„	9th to 10th, Ajmere	Inspection and branding of brood mares in Jhallawar.
„	11th to 12th, Neemuch	
„	13th to 15th, Jhalrapatan	
„	16th to 18th, Kotah and Deoli	
„	19th to 21st, Ajmere	
„	22nd to 26th, Bombay	Purchasing stallions.
„	27th to 30th, Poona	
„	31st to 2nd, Bombay	
June	3rd to 10th, Babugarh	Inspection of depôt and stables.
„	11th to 28th, Simla	On duty with Government of India.
July	29th and 30th, Saháranpur	Inspection of remount country-bred stock.

1885—*continued.*		
July - - -	31st to 2nd } Babugarh - - -	Inspection of depôt and stables.
August - -	3rd to 5th, Hissar - - -	Inspection of cattle farm.
,, - -	6th to 28th } Simla - - -	On duty with Government of India.
September - -		
,, - -	29th to 5th } Bombay - - -	Purchasing stallions.
October - -		
,, - -	6th to 10th, Poona - - -	Attending horse show.
,, - -	11th to 17th, Bombay - -	Purchasing stallions.
,, - -	18th to 7th } Simla - - -	On duty with Government of India.
November - -		
,, - -	8th to 11th, Amritsar - -	Attending horse fair.
,, - -	12th to 15th, Babugarh - -	Inspection of depôt and stables.
,, - -	16th to 22nd, Pokhur - -	Attending horse fair.
,, - -	23rd to - - - - -	Tour of inspection through the Merwara districts in Rajputana.
December - -	14th - - - - -	
,, - -	15th to 21st, Bombay - -	Purchasing stallions.
,, - -	22nd to - - - - -	Visiting the Hyderabad Assigned Districts in Berar, and prospecting the country for pony and mule breeding.
1886:		
January - -	5th - - - - - - -	
,, - -	6th to 12th, Babugarh - -	Inspection of depôt and stables.
,, - -	13th to 19th, Jellalabad - -	Attending horse show.
,, - -	20th to 27th, Babugarh - -	Inspection of depôt and stables.
,, - -	28th to 12th } Shikarpur (Sind) -	Attending horse show.
February - -		
,, - -	13th to 18th, Sibi (Biluchistan) -	- - ditto.
,, - -	19th to 21st, Lahore - -	Attending Visitors' Board at Veterinary School.
,, - -	22nd to 24th, Saháranpur - -	Attending horse show.
,, - -	25th to 4th } Babugarh - - -	Inspection of depôt and stables.
March - -		
,, - -	5th to 9th, Ahmedabad - -	Attending horse show.
,, - -	10th to 14th, Agar (Central India)	- - ditto.
,, - -	15th to 31st - - - -	Tour through the districts of Berar.

95. Mr. Lamb, Superintendent, Horse-breeding Operations, Bombay Presidency, remains on furlough, and Mr. J. K. Grainger, continues officiating in the Bombay Presidency. As will be gathered from the latter officer's report, his movements during 1885-86 were as follows:—

1885:		
April - - -	6th to 11th - - - -	Hardwar fair in the North-Western Provinces.
August - -	4th to - - - - -	On privilege leave.
October - -	6th - - - - - -	
,, - -	13th to 25th - - - -	Rajkot horse show.
November - -	16th to 18th - - - -	Ahmednagar horse show.
,, - -	20th to - - - - -	Inspection of brood stock in Sholapur district.
December - -	10th - - - - -	
,, - -	12th to 16th - - - -	Inspection of brood stock in Dharwar district.
1886:		
January - -	3rd to 21st - - - -	Inspection of brood stock in Cutch.
February - -	1st to 5th - - - - -	Shikarpur horse show.
,, - -	6th to 20th - - - -	Inspections in Shikarpur district.
March - -	7th to 13th - - - -	Ahmedabad horse show.
,, - -	14th to 30th - - - -	Inspections in Ahmedabad district.

As noted in paragraph 37 above, the Government of Bombay has remarked upon Mr. Grainger not having spent more of his time in the Deccan. The arrangement made for my performing executive duties in Sind and Biluchistan during the touring season of 1886-87 will allow of Mr. Grainger devoting the whole of his time in the southern districts, especially in those hitherto not visited or only in part visited by him.

96. Mr. B. L. Glover, Assistant Superintendent, Horse-breeding Operations, North-Western Provinces and Rajputana, reports:—"I commenced my cold weather tour on the 8th October, and I was almost continually on the move up to the end of the year, either in marching through or visiting in some other way the breeding districts, or in attending horse fairs and shows. The districts through which I marched were Saháranpur, Muzaffarnagar, Meerut, Buland-

shahr, Aligarh, Agra, Etah, Bareilly, Sháhjahánpur, Moradabad, Budaun, and Rohtak. All the stallion stands in these districts were inspected by me, and the districts of Umballa, Kurnal, Hissar, Gurgaon, and Delhi, though I had not time to march through them, were visited by me in such a way as to afford opportunity to zamíndárs and breeders for having mares branded, and for my inspecting the stallions standing in them. I was altogether, during my tour, 175 days under canvas, and I marched by road a distance of 1,691 miles. Of the 82 stallion stands in my charge I inspected 56; and although I was unable to visit the remaining 26, I made arrangements which permitted my inspecting, at some time or other during the year, the stallions standing at them; and in this way I am able to report that all the horse stallions and all but six of the donkey stallions in my charge were during the year inspected by me. It being impossible for me to march through the whole of my charge during one cold weather, I was compelled to leave many districts out of my marching tour; but during the month of March any districts which I did not pass through while marching were visited by rail, or road dák, and in this way all districts and stands in my charge have therefore had an opportunity of having mares branded."

97. Mr. F. Garratt, Assistant Superintendent, Horse-breeding Operations, Panjáb, states:—"Since taking up my duties as Assistant Superintendent, Horse-breeding Operations, Panjáb, on 5th July 1885, at Babugarh, I have visited and thoroughly inspected the following districts:—Montgomery, Rawalpindi, Jhelum, Multan, Lahore, Gujrat, Gujranwala, Sialkot, and Gurdaspur; and those partly inspected were Kohat, Bannu, Dera Ismail Khan, and Muzaffargarh. The reason of the two latter districts not being thoroughly inspected, as intended, was owing to my being called away while in the Dera Ismail Khan district to visit Phalian in the Gujrat district, where the two thorough-bred English stallions, Ulster King and Abimelech, had died suddenly, the cause of which was ultimately proved to be poisoning by arsenic. In addition to these inspections, I visited all the horse shows and fairs in the Panjáb, 10 in number, viz., Jellalabad, Multan, Muzaffargarh, Dera Ghazi Khan, Jhang, Gujrat, Shahpur, Lahore, Rawalpindi, and Amritsar. I left Babugarh on inspection duty on 1st September 1885, and travelled continuously, except a 10 days' halt at Christmas, until the expiration of the year under report, 31st March 1886, during which time I travelled 2,080 miles by road, 3,675 miles by rail, and made 89 halts."

98. This was Mr. Garratt's first tour, during which he most zealously conducted his duties. In former reports I have made mention of the most satisfactory manner in which Mr. Glover has always performed his onerous duties; indeed, I have much pleasure in recording that my best thanks are due to both these officers for the hearty aid they have given me in carrying on the work of the Department.

Cost of the Department during 1885-86.

99. In accordance with instructions contained in Military Department letter No. 781 D., dated 25th March 1880, the original statement showing the cost (military) of the Department during 1885-86 received from the Comptroller of Military Accounts, and those of the civil charges received from the Comptroller of India Treasuries are attached, aggregating *Rs.* 2,64,540. 9. 7, as detailed below:—

	Rs.	*a.*	*p.*
A.—Military charges - - - - -	39,746	15	8
B.—Civil charges - - - - - -	2,06,501	13	5
C.— Ditto (Supplementary) - - -	18,291	12	6
TOTAL - - *Rs.*	2,64,540	9	7

But

But with reference to the entries made in Statements B. and C., I beg to point out that the sums noted below are not chargeable against the grant for the Department of Horse-breeding Operations:—

	Rs.	*a.*	*p.*
Expenses incurred in Central India - -	3,312	2	3
Ditto - - Biluchistan - - -	1,992	3	11
Purchase of a bull - - - - - -	150	-	
TOTAL - - *Rs.*	5,454	6	2

The net expenditure during 1885-86 therefore amounts to *Rs.* 2,59,086. 3. 5. against *Rs.* 2,79, 542. 0. 2. in 1884-85, showing a decrease of *Rs.* 20,455. 12. 9. The total cost in the Bombay Presidency is *Rs.* 54,156. 2. 5. against *Rs.* 57,753. 10. 3., showing a decrease of *Rs.* 3,597. 7. 10. The expenditure has been divided into two separate heads, viz.:—

	Rs.	*a.*	*p.*
I.—Cost of supervision and establishment -	11,263	4	-
II.—Purchase and keep of stallions, prizes, &c., awarded at horse shows.	42,892	14	5
TOTAL - - *Rs.*	54,156	2	5

Of which the sum of *Rs.* 10,278. 8. 9 is debited to local funds; *Rs.* 42,915. 12. 6. to provincial revenues; *Rs.* 830. 3. 4. to the Biluchistan Agency, and *Rs.* 131. 9. 10. to the Palanpur Agency.

Conclusion and summary.

100. In concluding this Report I solicit the attention of the Government of India to the following points:—

I.—In paragraph 18.—That the Local Governments of the North-Western Provinces and Panjáb be moved to enjoin District Boards in those districts where more stallions are wanted to obtain additional sires, so that horse-breeding interests may be locally encouraged.

II.—Paragraph 25.—Whether it will be advisable to depute a reliable officer to the Australian colonies, with a commission to purchase 10 or 12 thoroughbred Australian horse stallions, from four to six years of age, of the stamp required for stud purposes in India.

III.—Paragraphs 28 to 32.—Fully explain the expediency of granting more stallion power in the breeding districts, and the reasons why each stallion employed cannot serve 50 mares per annum.

IV.—Paragraph 55.—Officers purchasing remounts to be enjoined to insist on being supplied at the time of purchase with the pedigree of each colt or filly by a Government stallion that may be bought for remount purposes.

V.—In paragraph 60.—Extract from Mr. Pringle's report is given, relative to the Remount Department not being represented at the Amritsar fair where there were, in his opinion, about 17 animals between the ages of two and four years, suitable for British cavalry and artillery remounts.

VI.—Paragraph 61.—If Government interfere with horse rearing, by establishing horse runs for young stock purchased from breeders, the same grave error will be committed as was done in the old stud days, when Government purchased young stock and prevented breeders from learning how to rear horses.

VII.—Paragraphs 64 to 69.—It is expedient that well-bred and a smaller class of Norfolk trotter stallions should, for some years, be freely introduced to serve mares in the Bombay Presidency.

VIII.—Paragraph 83.—In new mule-breeding districts, Government should foster and encourage the industry by purchasing, for the first few years, young mule-stock from 10 to 12 months old, and rearing them on Government farms, such as Kurnal.

Meerut,
6 December 1886.

J. H. B. Hallen, General Superintendent
Horse-breeding Operations in India.

APPENDIX I.

HORSE-BREEDING OPERATIONS.

GENERAL ABSTRACT of Casualties of HORSE STALLIONS in the BENGAL and BOMBAY PRESIDENCIES during the Official Year 1885-86.

Presidency and Provinces.	Died.					Destroyed.					Grand Total.	Average Deaths.	Average of Stallions destroyed.	General Average.
	Thorough-bred English.	Half-bred English, including Norfolk Trotters.	Arab.	Stud-bred.	Total.	Thorough-bred English.	Half-bred English, including Norfolk Trotters.	Arab.	Stud-bred.	Total.				
BENGAL.														
North-Western Provinces.	3	-	-	1	4	-	1	-	2	3	7	4·51	1·61	6·12
Panjáb	3	6	1	-	10	-	1	1	-	2	12			
Rájputana	-	-	-	-	-	-	-	-	-	-	-			
BOMBAY.														
Deccan	-	-	-	-	-	-	-	1	-	1	1	3·37	3·37	6·74
Gujrat and Kathiawar	-	-	-	-	-	-	-	2	-	2	2			
Sindh and Kutch	-	1	2	-	3	-	-	-	-	-	3			

APPENDIX II.

HORSE-BREEDING OPERATIONS.

CASUALTY ROLL of HORSE STALLIONS in the BENGAL and BOMBAY PRESIDENCIES during the Official Year 1885-86.

Number.	Brand Number.	English Name.	Native Name.	Caste.	Description of Casualty.	Date of Casualty.	Nature of Casualty.
		BENGAL PRESIDENCY.					
1	1785	Recalcitrant	Ramgarh	T. B. E.	Died	14 June 1885	Apoplexy from intense heat.
2	1953	Stepney	Sham Lall	,,	,,	15 ,, ,,	Fracture of skull from rearing up and falling backwards.
3	1861	War Office	Faujdar	,,	,,	19 Oct. ,,	Fever.
4	1538	Engagement	Pusa	S. B.	,,	6 Feb. 1886	Peritonitis.
5	14	-	Bijlea	,,	Destroyed	20 July 1885	Old and worn out.
6	1624	Regulator	Baraber	English	,,	7 Dec. ,,	Old age.
7	1496	-	Augur	S. B.	,,	1 Mar. 1886	- ditto.
8	1718	Phenomenon	Nadir	N. T.	Died	7 April 1885	Anthrax.
9	1628	Badminton	Bazigarh	H. B. E.	,,	11 June ,,	Mal de coit.
10	2024	Pioneer	Safarmina	N. T.	,,	19 ,, ,,	Colic.
11	-	The North Star	Kutab	,,	Destroyed	19 ,, ,,	Incurable bursati of penis.
12	1836	Bay Hurdle	Jangbahadur	,,	Died	23 ,, ,,	Congestion of lungs.
13	2049	Cavendish-square	Chowraha	T. B. E.	,,	2 July ,,	Colic.
14	1630	Arab Hunter	Shikari	Arab	,,	6 ,, ,,	Strangulated hernia and peritonitis.
15	-	Norfolk Cob	Kashi	N. T.	,,	18 Aug. ,,	Colic.
16	2027	Transport	Rasad	,,	,,	23 ,, ,,	- ditto.
17	2086	Abimelech	Delhi	T. B. E.	,,	27 Nov. ,,	Poisoned.
18	2048	Ulster King	Bhooput	,,	,,	1 Dec. ,,	- ditto.
19	-	-	Surfraz	Arab	Destroyed	21 ,, ,,	Fracture of leg.
		BOMBAY PRESIDENCY.					
20	-	Ex-Premier	Wazir	N. T	Died	17 Aug. ,,	Flatulent colic and rupture of stomach.
21	-	- ditto	Shahapur	Arab	,,	2 Sept. ,,	Colic.
22	-	Silvertail	-	,,	,,	10 Jan. 1886	Ruptured stomach.
23	-	Curtas	-	,,	Destroyed	21 Sept. 1885	Disease of the hock joints.
24	-	Mint Master	-	,,	,,	2 Aug. ,,	Dropsy and general debility.
25	-	Pearl	-	,,	,,	24 Dec. ,,	Old and worn out.

APPENDIX III.

Horse-Breeding Operations.

Statement of Horse Stallions sold during the Official Year 1885-86.

No.	Brand No.	English Name.	Native Name.	Class.	Date of Sale.	Name of Purchaser.	Amount sold for.	Remarks.
		BENGAL PRESIDENCY.					*Rs. a. p.*	
1	1884	Venice	Valayat	T. B. E.	6 March 1886	Dr. Clayton	125 - -	Bad.
2	1633	Arthur	Shahmadar	Arab	6 „ „	Rahim Bux	55 - -	Old age.
3	1706	Elastic	Saháranpur	S. B.	6 „ „	Mr. Saunders	100 - -	Unsound hocks.
4	- -	Grey Warrior	Enayet	Arab	20 October 1885	Captain Thullier, 21st P. N. I.	560 - -	
5	- -	Star of Cashmere	Sháhjahánpur	„	20 „ „	Dr. Grant, Civil Surgeon	50 - -	
6	1828	- - - -	Kushkhabar	S. B.	20 „ „	Sirdar Kirpal Singh	52 - -	
7	466	- - - -	Thakúr	„	20 „ „	C. E. Gladstone, Esq., District Judge.	65 - -	
8	- -	Volcano	Kohinur	Arab	20 „ „	Sirdar Kirpal Singh	300 - -	
9	1634	- - - -	Mecca	„	16 October 1885	Bruciabad Farm	71 - -	
10	- -	The Earle	Wázir	„	16 „ „	- - ditto	41 - -	Old age.
11	- -	Scottish Chief	Sirdar	„	25 October 1885	Hari Chand	160 - -	
12	- -	- - - -	Jaubaz	S. B.	7 November 1885	Nehala	37 - -	
13	1751	Scribbler	Katib	„	7 „ „	Sahib Din	101 - -	
14	- -	Emperic	Dinapore	„	7 „ „	Colonel Palmer, 9th Bengal Cavalry.	50 - -	
15	- -	- - - -	Zilzilla	Arab	17 January 1886	Nawab of Mamdot	175 - -	
		BOMBAY PRESIDENCY.						
16	- -	Disraeli	- - - -	„	26 June 1885	Unknown	10 7 3	Impotent.
17	- -	Hermit	- - - -	„	1 September 1885	- ditto	35 - -	Old and worn out.
18	- -	Lottery	- - - -	„	16 December „	ditto	72 - -	Old and unfit for stud work.

APPENDIX IV.

HORSE-BREEDING OPERATIONS.

STATEMENT showing Classification and Distribution of HORSE STALLIONS attached to the DEPARTMENT of HORSE-BREEDING OPERATIONS in the BENGAL and BOMBAY PRESIDENCIES during the Official Year 1885-86.

CLASS OF STALLIONS.	BENGAL PRESIDENCY.														BOMBAY PRESIDENCY.															
	NORTH-WESTERN PROVINCES.				RAJPUTANA.				PUNJAB.						DECCAN.				GUJRAT AND KATHIAWAR.				SINDH AND CUTCH.				BILUCHISTAN.				
	Very good.	Good.	Fair.	Total.	Very good.	Good.	Fair.	Total.	Very good.	Good.	Fair.	Bad.	Worn out.	Total.	Very good.	Good.	Fair.	Total.	Very good.	Good.	Fair.	Total.	Very good.	Good.	Fair.	Total.	Very good.	Good.	Fair.	Not seen.	Total.
Thorough-bred English	9	21	8	38	–	–	–	–	22	10	2	–	–	34	4	–	–	4	3	1	–	4	–	–	–	–	2	–	–	1	3
Half-bred English, including Norfolk Trotters.	25	31	10	66	1	–	–	1	11	57	3	–	–	71	5	–	–	5	1	–	–	1	5	–	–	5	1	–	–	1	2
Waler	–	1	–	1	–	–	–	–	2	2	–	–	–	4	–	–	–	–	–	–	–	–	1	–	–	1	–	–	–	–	–
Persian	–	–	–	–	–	–	–	–	–	1	–	–	–	1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Stud-bred	–	1	4	5	–	–	–	–	–	6	3	–	2	11	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Turkoman	–	–	–	–	–	–	–	–	–	2	–	–	–	2	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Arab	1	10	12	23	–	–	–	–	3	37	8	1	4	53	12	17	7	36	6	6	2	14	5	4	2	11	–	1	–	2	3
TOTAL	35	64	34	133	1	–	–	1	38	115	16	1	6	176	21	17	7	45	10	7	2	19	11	4	2	17	3	1	–	4	8
TOTAL in each Presidency	310														89															

APPENDIX VII.

Horse-breeding Operations.

Statement showing Cost of Feed, Keep, Attendants, &c., of Horse Stallions in the Bengal and Bombay Presidencies during the Official Year 1885-86.

PRESIDENCY, PROVINCE, AND DISTRICT.	Number of Stallions or Days.	Total Annual Cost.	Average per Horse Stallion per Annum.	General Average in each Province.	Remarks.
BENGAL PRESIDENCY.					
North-Western Province.		Rs. a. p.	Rs. a. p.	Rs. a. p.	
Babugarh Depôt	12,648	6,524 15 6	188 4 9		
Meerut District	3,898	2,483 3 6	232 8 4		
Bulandshar	2,880	1,792 13 2	227 3 5		
Saharanpur	4,483	2,580 10 5	210 1 9		
Muzaffarnagar	3,984	2,433 4 6	222 14 10		
Aligarh	2,991	2,001 7 9	244 3 11		
Muttra	820	525 - 11	233 11 5		
Agra	601	348 9 4	211 11 2		
Etah	708	450 6 3	232 3 1		
Shahjahanpur	1,041	627 1 8	219 14 -		
Budaun	1,109	690 13 1	227 5 10		
Bareilly	596	367 6 8	225 - 2		
Moradabad	1,449	903 1 -	227 7 8		
Bijnor	336	205 13 5	223 9 8		
Gurgaon	896	507 3 3	206 9 10		
Delhi	942	568 3 7	220 2 8		
Kurnal	2,322	1,304 2 10	205 - 1		
Rohtak	1,463	977 15 6	243 15 9		
Hissar	1,604	1,162 8 6	264 8 7		
Umballa	1,060	683 10 9	235 6 7		
Add charges for gear purchased	- -	1,017 2 3	—		
Total	45,831	28,155 9 10	—	224 3 8	
Rajputana.					
Jhalrapatan	292	146 11 8	183 6 7	183 6 7	
Panjab.					
Hazara	2,453	1,587 1 5	236 2 6		
Peshawar	1,086	644 14 7	216 12 -		
Murdan	369	257 1 10	254 5 3		
Rawalpindi	10,461	6,288 7 9	219 6 8		
Jhelum	2,674	1,553 13 3	212 1 7		
Gujrat	2,746	1,716 1 6	228 1 8		
Gujranwala	1,881	1,080 13 10	209 11 10		
Sialkot	1,575	992 11 5	230 - 11		
Lahore	2,737	1,868 15 2	249 3 10		
Amritsar	2,402	1,464 13 -	222 9 5		
Gurdaspur	1,380	737 11 -	195 1 9		
Hoshiarpur	1,140	625 3 -	200 2 9		
Jullundar	1,095	624 6 3	208 2 1		
Ludhiana	1,080	613 9 5	207 5 11		
Ferozepur	2,183	1,268 2 2	212 - 6		
Shahpur	3,203	1,854 1 -	211 4 6		
Jhang	1,830	1,179 9 11	235 4 6		
Dehra Ismail Khan	1,647	975 4 9	216 2 3		
Bannu	730	380 - 8	190 - 4		
Dehra Ghazi Khan	8,225	6,605 8 3	293 2 1		
Muzaffargarh	2,959	1,967 6 4	242 10 11		
Multan	5,520	3,514 14 10	232 6 8		
Montgomery	1,471	875 3 7	217 2 9		
Probynabad	531	265 7 6	182 7 8		
Veterinary School, Lahore	1,366	939 2 8	250 15 2		
Babugarh Depôt	4,514	2,442 1 8	197 7 6		
Add charges for gear purchased	- -	1,073 5 11	—		
Total	67,258	43,396 - 8	—	235 8 -	

APPENDIX VII.—HORSE-BREEDING OPERATIONS—*continued.*

STATEMENT showing Cost of Feed, Keep, Attendants, &c.—*continued.*

PRESIDENCY, PROVINCE, AND DISTRICT.	Number of Stallions or Days.	Total Annual Cost.	Average per Horse Stallion per Annum.	General Average in each Province.	REMARKS.
BOMBAY PRESIDENCY.					
DECCAN.		*Rs. a. p.*	*Rs. a. p.*	*Rs. a. p.*	
Sirur	1,751	1,327 12 10	276 12 6		
Supa	1,095	927 5 2	309 1 8		
Baramati	1,095	1,100 11 –	366 14 4		
Indapur	770	597 – 10	288 – 3		
Ahmednagar	3,887	3,655 1 10	343 3 7		
Sholapur	769	734 14 9	348 13 2		
Bijapur	365	291 2 1	291 2 1		
Belgaum	392	570 8 8	581 3 10		
Dharwar	996	1,167 7 4	427 13 4		
Satara	730	623 – 8	311 8 4		
Nasik	730	514 10 –	257 5 –		
Khandesh	2,602	2,163 1 8	303 6 11		
TOTAL	15,182	13,672 12 10	—	328 11 5	
GUJRAT AND KATHIAWAR.					
Kaira	599	560 9 –	341 9 3		
Ahmedabad	3,253	1,859 1 2	208 9 6		
Deesa	548	524 13 10	349 9 5		
Thurad	170	131 9 10	282 9 4		
Kathiawar	2,034	1,802 3 7	323 6 6		
TOTAL	6,604	4,878 5 5	—	269 9 11	
SINDH AND CUTCH.					
Cutch	1,687	1,430 9 9	309 8 5		
Karachi	365	328 12 10	328 12 10		
Thar and Parker	365	340 12 4	340 12 4		
Hyderabad	730	666 4 11	333 2 5		
Shikarpur	1,215	959 10 8	288 4 8		
Jacobabad	1,785	1,875 4 6	333 7 4		
TOTAL	6,417	5,601 7 –	—	332 9 8	
BILUCHISTAN.					
Biluchistan	796	830 3 4	380 10 11	380 10 11	

ABSTRACT.

PRESIDENCY.	PROVINCE.	Average in each Province.	Average in each Presidency.
		Rs. a. p.	*Rs. a. p.*
BENGAL	North-Western Provinces	224 3 8	230 13 –
	Rajputana	183 6 7	
	Punjab	235 8 –	
BOMBAY	Deccan	328 11 5	317 6 5
	Gujrat and Kathiawar	269 9 11	
	Sind and Cutch	332 9 8	
	Biluchistan	380 10 11	

APPENDIX VIII.

HORSE AND MULE-BREEDING OPERATIONS.

ANNUAL RETURN of Stock in the BENGAL and BOMBAY PRESIDENCIES during the Official Year 1885-86.

DETAILS.	GOVERNMENT HORSE STALLIONS.													GOVERNMENT DONKEY STALLIONS.																	BRANDED MARES THE PROPERTY OF BREEDERS.			THE PROPERTY OF GOVERNMENT.								
	Bengal Presidency.								Bombay Presidency.					Bengal Presidency.													Bombay Presidency.								Bengal Presidency.	Bombay Presidency.		Bengal Presidency.							
	Thorough-bred English.	Half-bred English, including Norfolk Trotters.	Australian.	Arab.	Persian.	Stud-bred.	Turkoman.	Total.	Thorough-bred English.	Half-bred English, including Norfolk Trotters.	Australian.	Arab.	TOTAL.	Spanish (Catalan).	Arab.	Khorasani.	Home-bred.	Bokhara.	Punjabi.	Italian.	French.	Persian.	Herati.	Cyprus.	TOTAL.	Spanish.	Arab.	Bokhara.	Italian.	Persian.	Khorasani.	TOTAL.	For Horse-breeding.	For Horse-breeding.	For Pony-breeding.	For Mule-breeding.	Donkey-breeding.	Foals.				Farm Stock.			
																																				Donkey Foals.		Mule Foals.					
																																				Colts.	Fillies.	Colts.	Fillies.	Cast Mares.	Pony Mares.	Bullocks.	Bulls.
Balance on 1st April 1885	69	137	5	75	1	24	2	313	8	11	1	55	75	15	106	–	8	12	24	93	14	37	2	–	311	1	3	1	5	3	–	13	16,107	2,682	336	270	14	8	13	14	12	13	35	2	1
Increase:																																												
Received by importation	11	9	–	–	–	–	–	20	2	2	–	–	4	–	–	–	–	–	–	14	–	–	–	10	24	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Purchased in India	–	–	–	13	–	–	–	13	–	–	–	15	15	–	–	1	–	–	1	–	–	–	–	–	2	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Received from Gonah Central India Horse	–	1	–	–	–	1	–	2	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Branded during the year	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	1,404	686	123	165	–	–	–	–	–	–	–	–
Received from other districts	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	415	–	–	–	–	–	–	–	–	–	–	–
Received from the head "Home-bred"	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	3	–	–	–	–	–	–
Dropped	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	1	2	4	7	–	–
Presented by Mr. Glover for farm work	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	1	–
Received from head of "Farm Mares"	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	1	–
Received from Bengal Presidency	–	–	–	–	–	–	–	–	1	1	–	2	4	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	3	6	1	10	–	–	–	–	–	–	–	–	–	–	–
TOTAL	80	147	5	88	1	25	2	348	11	14	1	72	98	15	106	1	8	12	25	107	14	37	2	10	337	1	3	1	8	9	1	23	18,226	3,368	759	435	17	9	15	18	19	13	37	2	1
Decrease:																																											
Died	6	6	–	1	–	1	–	14	–	1	–	2	3	–	6	–	–	1	1	3	–	–	–	–	11	–	–	–	–	–	–	–	886	24	4	1	–	–	1	1	–	–	–	–
Destroyed	–	2	–	1	–	2	–	5	–	–	–	3	3	–	4	–	–	1	–	–	–	–	–	–	5	–	–	–	–	–	–	–	–	–	–	–	4	2	–	–	–	–	–	–
Sold	1	–	–	8	–	6	–	15	–	–	–	3	3	–	2	–	2	–	1	–	–	–	–	–	5	–	–	–	–	–	–	–	559	3	–	–	–	–	–	–	–	–	–	–
Transferred to the head "Home-bred"	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	3	–	–	–	–	–	–
Transferred to the Remount Department	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	17	18	12	31	2	1
Transferred to the head of "Pony Mares"	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	1	–	–	–
Transferred to the Bombay Presidency	1	1	–	2	–	–	–	4	–	–	–	–	–	–	–	1	–	–	–	3	–	6	–	10	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Stolen	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	59	–	–	–	–	–	–	–	–	–	–	–
TOTAL	8	9	–	12	–	9	–	38	–	1	–	8	9	–	12	1	2	2	2	6	–	6	–	–	31	–	–	–	–	–	–	–	1,504	27	4	1	7	2	–	18	19	13	31	2	1
Balance on 31st March 1886	72	138	5	76	1	16	2	310	11	13	1	64	89	15	94	–	6	10	23	101	14	31	2	10	306	1	3	1	8	9	1	23	16,722	3,341	755	434	10	7	15	–	–	6	–	–
TOTAL of each Class	310								89					306												23							16,722	3,341	755	434	10	22		–		6		–

APPENDIX IX.

HORSE-BREEDING OPERATIONS.

GENERAL STATEMENT showing Results of the Year's Operations during the Official Year 1885-86.

PRESIDENCY.	PROVINCE.	Number of Branded Mares the property of Breeders, remaining on the Registers on 31st March 1886.	Number of Branded Mares the property of Breeders, covered by Government Stallions.		Number of Government Horse Stallions employed at Stud work.		Average Number of Branded Mares covered in 1885-86 per Stallion employed during the Year.	Number of Stock the property of Breeders, got by Government Stallions, Foaled during 1885-86, the Results of Coverings of 1884-85.													Grand Total.	Number of Mares covered in 1884-85, the results of which are known.	Number of Government Stallions employed in 1884-85, the results of which, with regard to coverings, are known.	Percentage of Produce foaled during 1885-86 to Mares covered in 1884-85.	Average Number of Produce foaled during 1885-86, per Stallion employed at Stud work in 1884-85.
								Colts.							Fillies.										
			During 1884-85.	During 1885-86.	During 1884-85.	During 1885-86.		By thoroughbred English.	Half-bred English and Norfolk Trotters.	Australian.	Arab.	Stud-bred.	Persian.	Total.	Thorough-bred English.	Half-bred English and Norfolk Trotters.	Australian.	Arab.	Stud-bred.	Persian.	Total.					
Bengal	North-Western Provinces	5,698	4,242	4,569	102	109	41·91	118	405	–	81	83	–	637	150	372	–	63	50	–	635	1,272	4,212	102	29·90	12·47
	Rajputana	28	11	22	1	1	22	–	7	–	–	–	–	7	–	2	–	–	–	–	–	2	11	1	81·8	·9
	Panjab	10,996	3,742	5,749	174	171	33·62	174	394	8	231	144	9	960	185	477	9	241	140	10	1,062	2,022	5,742	174	35·21	11·62
	TOTAL	16,722	9,995	10,340	277	281	36·79	292	806	8	312	177	9	1,604	335	851	9	304	190	10	1,699	3,303	9,995	277	33·04	11·92
Bombay	Deccan and Khandesh	1,125	902	1,234	35·90	35·59	32·82	8	25	–	131	–	–	164	6	15	–	146	–	–	167	331	830	30·69	39·87	10·82
	Gujrat and Kathiawar	1,602	271	368	11·36	16·09	22·87	10	2	–	20	–	–	32	13	2	–	23	–	–	38	70	231	8·05	30·30	8·69
	Sind and Cutch	1,230	596	671	12·78	15·86	42·30	–	7	2	30	–	–	39	–	5	5	18	–	–	28	67	313	7·54	21·40	8·88
	Beluchistan	139	115	34	3·00	2·18	15·59	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	TOTAL	4,096	1,884	2,307	63·04	71·72	32·16	18	34	2	181	–	–	235	19	22	5	187	–	–	233	468	1,374	46·18	34·06	10·13

APPENDIX X.

HORSE-BREEDING OPERATIONS.

STATEMENT showing the Number of CAST MARES received from CORPS and BATTERIES, and sold to *bonâ fide* BREEDERS for Breeding Purposes during 1885-86.

Number.	Brand Number.	Colour.	From whence Received.		Date of Receipt.	Date of Sale.	Sold for Horse or Mule Breeding.	Name of Purchaser.	Price.	Remarks.
			Corps and Batteries.	Station.						
					BENGAL PRESIDENCY.				*Rs. a. p.*	
					N. W. Provinces.					
1	7 B near saddle	Chestnut	L-A.R.H.A.	Umballa	29 Nov. 1884	1 May 1885	Mule-breeding	Man Singh	95 – –	
2	R No.—88	„	E-A.R.H.A.	Lucknow	25 Jan. 1885	1 „ „	„	Hamir	15 – –	
3	R No.—129	„	„	„	„ „	1 „ „	„	Raffiooddin	30 – –	
4	R No.—158	„	„	„	25 Mar. „	1 „ „	„	Mansingh	30 – –	
5	R No.—26	„	„	„	„ „	1 „ „	„	Bakhtawar	25 – –	
					BOMBAY PRESIDENCY.					
6	5	D. Bay	D—2 R.A.	Ahmedabad	– – –	5 March 1886	Horse-breeding	Rev. G. Gillispie	40 – –	
7	55	Black	„	„	– – –	8 „ „	„	Mr. Oopkar Agoobhai	25 – –	
8	2	„	C—2 R.A.	Hyderabad	– – –	24 Oct. 1885	„	Mr. Khair Mohamed	12 – –	
9	7	„	„	„	– – –	24 „ „	„	Dowlat Singh	43 – –	
10	73	Brown	„	„	– – –	24 „ „	„	Mahomed Ali	8 8 –	
11	98	Bay	„	„	– – –	24 „ „	„	Oosman	70 – –	
								TOTAL *Rs.*	393 8 –	

Presidency.	Province.	Number of Mares.	Amount.	Average of each Province.	Average of each Presidency.
			Rs. a. p.	*Rs. a. p.*	*Rs. a. p.*
Bengal	North-Western Provinces	5	195 – –	39 – –	39 – –
Bombay	Gujrat	2	65 – –	32 8 –	33 1 4
	Sind	4	133 8 –	33 6 –	
	TOTAL	11	393 8 –		

APPENDIX XI.

HORSE-BREEDING OPERATIONS.

STATEMENT of REMOUNTS Purchased during the Official Year 1885-86.

PRESIDENCY.	REMOUNTS PURCHASED BY	NUMBER OF REMOUNTS PURCHASED.				DETAIL.								
		Horses.	Mares.	Geldings.	TOTAL.	Produce of Government Stallions.	Class of Sires not known.	Country-bred.	Cabuli.	Waler.	Arab.	Waziri.	Biluchi.	Hirati.
Bengal	Army Remount Department, From 4 to 8 years of age	- -	2	1	3	- -	3	—	—	—	—	—	—	—
	Army Remount Department, From 1 to 4 years of age	29	35	50	114	89	24	1	—	—	—	—	—	—
	Bengal Native Cavalry - - - - -	944	1,270	522	2,736	12	1,913	728	58	12	3	2	7	1
	Panjab „ „ - - - - -	76	275	152	503	2	496	- -	5	—	—	—	—	—
	North-Western Provinces Police - -	11	18	5	34	8	16	9	1	—	—	—	—	—
	Panjab Police - - - - -	6	13	1	20	2	2	13	- -	- -	- -	- -	3	—
	TOTAL - - -	1,066	1,613	731	3,410	113	2.454	751	64	12	3	2	10	1
Bombay	Army Remount Department, From 4 to 8 years of age	11	- -	- -	11	- -	11	—	—	—	—	—	—	—
	Army Remount Department, From 1 to 4 years of age	—	—	—	—	—	—	—	—	—	—	—	—	—
	Bombay Native Cavalry - - - - -	698	359	23	1,080	101	409	570	—	—	—	—	—	—
	Police Northern Division - - - -	54	4	- -	58	8	16	34	—	—	—	—	—	—
	„ Central „ - - - - -	11	3	- -	14	1	13	—	—	—	—	—	—	—
	„ Southern „ - - - - -	5	1	- -	6	- -	2	4	—	—	—	—	—	—
	„ in Sindh „ - - - - -	85	4	8	97	2	1	94	—	—	—	—	—	—
	TOTAL - - -	864	371	31	1,266	112	452	702	—	—	—	—	—	—

APPENDIX A.

STATEMENT showing the Number of COUNTRY-BRED REMOUNTS purchased by the BENGAL and PANJAB NATIVE CAVALRY since 1876-77.

YEARS.	Purchased by Bengal Native Cavalry.	Purchased by Panjab Native Cavalry.	TOTAL.	REMARKS.
In 1876-77	887	237	1,124	
„ 1877-78	704	203	907	
„ 1878-79	1,751	556	2,307	
„ 1879-80	859	248	1,107	
„ 1880-81	1,182	522	1,704	
„ 1881-82	452	303	755	
„ 1882-83	1,391	268	1,659	
„ 1883-84	889	307	1,196	
„ 1884-85	926	250	1,176	
„ 1885-86	2,736	503	3,239	
TOTAL	11,777	3,397	15,174	

APPENDIX B.

REMOUNTS purchased during 1885-86.

REGIMENTS, &c.	Yearlings.	Two Years.	Three years.	Four years.	Five years.	Six and over.	TOTAL.
BENGAL CAVALRY.							
1st Bengal Cavalry	-	4	35	51	23	1	114
2nd „ „	-	9	45	10	12	1	77
3rd „ „	-	1	49	41	10	8	109
4th „ „	-	2	19	14	5	3	43
5th „ „	-	6	33	25	21	19	104
6th „ „	-	1	47	33	10	14	105
7th „ „	-	1	36	47	27	6	117
8th „ „	-	5	37	20	13	10	85
9th „ Lancers	-	-	68	37	22	18	145
10th „ „	-	4	44	34	16	24	122
11th „ „	-	-	5	11	6	3	25
12th „ Cavalry	1	8	41	21	28	13	112
13th „ Lancers	-	5	33	25	20	10	93
14th „ „	-	6	50	31	18	21	126
15th „ Cavalry	-	12	53	35	20	37	157
16th „ „	-	2	75	128	104	139	448
17th „ „	-	31	158	135	76	140	540
18th „ „	-	1	56	19	13	5	94
19th „ Lancers	-	4	46	49	12	9	120
TOTAL	1	102	930	766	456	481	2,736
PANJAB CAVALRY.							
1st Panjab Cavalry	-	1	36	36	17	18	108
2nd „ „	-	13	32	38	12	10	105
3rd „ „	-	4	47	37	28	2	118
5th „ „	-	10	25	56	36	16	143
Queen's Own Corps of Guides	-	3	15	2	4	5	29
TOTAL	-	31	155	169	97	51	503
REMOUNT DEPARTMENT.							
British Artillery and Cavalry	43	48	21	3	-	2	117
POLICE.							
North-Western Provinces	-	1	13	9	6	5	34
Panjab	-	1	5	7	3	4	20
TOTAL	-	2	18	16	9	9	54
ABSTRACT.							
Bengal Cavalry	1	102	930	766	456	481	2,736
Panjab Cavalry	-	31	155	169	97	51	503
Remount Department	43	48	21	3	-	2	117
Police, North Western Provinces and Panjab	-	2	18	16	9	9	54
TOTAL	44	183	1,124	954	562	543	3,410

APPENDIX E.

STATEMENT showing the Number of HORSE STOCK (not including BRANDED MARES) present and the Number sold at HORSE FAIRS and SHOWS in the NORTH-WESTERN PROVINCES and PUNJAB during 1885-86.

AGES.	Total Number of Horse Stock (not including Branded Mares) present at the Fairs and Shows.			Total Number of Horse Stock (not including Branded Mares) sold at the Fairs and Shows.			Detail of Sales.					Number for Sale or Sold considered fit for		
	Belonging to Breeders and Zemindars.	Belonging to Dealers.	TOTAL.	By Breeders.	By Dealers.	TOTAL.	Number sold to Government for Remount Purposes.	Number sold to Agents for Native States.	Number sold to other Private Purchasers.	Number sold to Horse Dealers.	TOTAL.	Artillery.	Medium Cavalry.	Hussars.
NORTH-WESTERN PROVINCES.														
Yearlings	389	224	613	45	20	65	31	3	2	29	65	10	3	45
Two to three years of age	671	691	1,362	83	106	189	79	38	2	70	189	9	13	56
Over three to four years of age	312	348	660	87	134	221	143	18	3	57	221	3	10	24
Over four to five years of age	160	261	421	41	87	128	88	7	2	31	128	1	2	9
Over five years of age	257	313	570	28	51	79	45	4	- -	30	79	- -	- -	1
TOTAL	1,789	1,837	3,626	284	398	682	386	70	9	217	682	23	28	135
PUNJAB.														
Yearlings	871	62	933	216	28	244	1	- -	185	55	241	1	1	2
Two to three years of age	1,175	144	1,319	238	51	289	41	10	58	178	287	1	28	2
Over three to four years of age	584	232	816	235	29	264	34	12	127	64	237	- -	66	—
Over four to five years of age	676	269	945	148	21	169	10	11	71	54	146	7	53	5
Over five years of age	820	228	1,048	213	6	219	4	- -	172	23	199	10	34	10
TOTAL	4,126	935	5,061	1,050	135	1,185	90	33	613	374	1,110	19	182	19
GRAND TOTAL	5,915	2,772	8,687	1,334	533	1,867	476	103	622	591	1,792	42	210	154

APPENDIX XII.

HORSE-BREEDING OPERATIONS.

STATEMENT showing the Number of COLTS, the property of Zemindars, Castrated by District Salutris and Castrators in the Horse-breeding Districts of the BENGAL and BOMBAY PRESIDENCIES, during the Official Year 1885-86.

Presidency.	Province.	District.	Number of Colts Castrated.	Number of Deaths resulting from effects of Operation.	Number of Mule Colts Castrated.
Bengal	N.-W. Provinces	Saháranpur	128	-	3
		Muzaffarnagar	61	-	9
		Meerut	135	-	4
		Bulandshahr	97	-	5
		Aligarh	34	-	1
		Agra	2	—	—
		Etah	5	—	—
		Sháhjahánpur	11	-	2
		Bareilly	13	-	2
		Moradabad	5	—	—
		Budaun	6	-	1
		Mainpuri	3	—	—
Ditto	Punjab	Kurnal	13	-	1
		Delhi	18	—	—
		Gurgaon	3	—	—
		Hissar	10	—	—
		Umballa	33	—	—
		Rohtak	1	—	—
		Rawalpindi	38	-	1
		Jhelum	19	-	8
		Gujrat and Gujránwala	20	—	—
		Lahore	30	—	—
		Amritsar	15	1	1
		Ludhiana	12	-	11
		Shahpur	62	-	2
		Multan	53	-	6
		Muzaffargarh	57	-	3
		Dehra Ghazi Khan	191	-	3
		TOTAL in Bengal Presidency	1,075	1	63
Bombay	Deccan	Poona	19	—	—
	ditto	Ahmednagar	6	—	—
	ditto	Khandesh	27	—	—
	Gujrat	Ahmedabad	63	—	—
	Sind	Shikarpur	7	—	—
		TOTAL in Bombay Presidency	122	—	—

APPENDIX XIII.

MULE-BREEDING OPERATIONS.

CASUALTY ROLL of Donkey Stallions during the Official Year 1885-86.

Number.	Name.	Breed.	Description of Casualty.	Date of Casualty.	Nature of Casualty.
			BENGAL PRESIDENCY.		
			NORTH-WESTERN PROVINCES:		
1	Nasaldar	Arab	Died	Unknown	*Old age stated, but precise nature of illness not reported.
2	Dindyal	Arab	Destroyed	25 May 1885	Hip disease and indifferent coverer.
3	Sutna	Italian	Died	18 August ,,	Anthrax.
4	Ghazalpur	Arab	ditto	Unknown ,,	*Nature of disease not stated.
5	Mintur	Arab	ditto	9 November ,,	Inflammation of bowels supervening an attack of colic.
			PUNJAB:		
6	Morcha	Arab	ditto	1 April 1885	Fracture.
7	Madat	Punjabi	ditto	17 ,, ,,	Anthrax.
8	Premji	Arab	ditto	4 July ,,	Fever.
9	Malairkutta	Italian	ditto	ditto	Hydrophobia.
10	Chakarbutty	Arab	ditto	29 October 1885	Anthrax.
11	Durdam	Bokhara	ditto	26 January 1886	Pleuritis.
12	Belaghat	Italian	ditto	17 March ,,	Fever.
13	Rustam	Arab	Destroyed	21 April 1885	Old and worn-out.
14	Bagdad	Arab	ditto	23 December ,,	Incurable paralysis.
15	Bhadar	Bokhara	ditto	5 January 1886	Old and worn-out.
16	Arabjangi	Arab	ditto	ditto	ditto.

* Nature of disease not stated. These animals died away from veterinary care and attendance.

APPENDIX XIV.

MULE-BREEDING OPERATIONS.

STATEMENT of DONKEY STALLIONS sold during the Official Year 1885-86.

Number.	Name.	Class.	Date of Sale.	Name of Purchaser.	Amount sold for.	Remarks as to Cause why considered unfit for Government Stud Work.
			BENGAL PRESIDENCY:		*Rs.*	
1	Jandar	Arab	Dec. 1884	Not known	-	Sold at Cuch Behar.
2	Pokhur	Arab	Dec. 1884	Not known	-	Sold at Cuch Behar.
3	Nehalgarh	Home bred	18 July 1885	Poosa Chamar	35	Too small, and unsuited for stud purposes.
4	Hoogly	Home bred	27 July 1885	Kahna	38	Too small, and unsuited for stud purposes.
5	Piwat	Panjabi	10 Mar. 1886	Sohanra	54	Impotent.

APPENDIX XV.

MULE-BREEDING OPERATIONS.

STATEMENT showing Classification and Distribution of DONKEY STALLIONS attached to the Department of Horse-breeding Operations in the BENGAL and BOMBAY PRESIDENCIES, during the Official Year 1885-86.

CLASSES.	BENGAL PRESIDENCY.																BOMBAY PRESIDENCY.								
	North-Western Provinces.						Rajputana.				Punjab.						Deccan.				Sind and Cutch.				
	Very good.	Good.	Fair.	Indifferent.	Bad.	Total.	Very good.	Good.	Fair.	Total.	Very good.	Good.	Fair.	Indifferent.	Bad.	Total.	Very good.	Good.	Fair.	Total.	Very good.	Good.	Fair.	Not seen.	Total.
Spanish (Catalan)	1	4	–	–	–	5	–	–	–	–	–	3	1	–	–	4	–	–	–	–	–	1	–	–	1
Arab	–	7	21	–	–	28	–	–	–	–	9	37	20	–	–	66	–	–	1	1	–	1	1	–	2
Italian	2	22	15	1	–	40	–	1	–	1	11	32	13	1	3	60	1	–	1	2	3	–	–	3	6
French	–	3	1	1	–	5	–	–	–	–	–	6	3	–	–	9	–	–	–	–	–	–	–	–	–
Persian	1	8	3	–	–	12	–	–	–	–	1	13	5	–	–	19	–	–	–	–	1	2	–	6	9
Home bred	1	5	–	–	–	6	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Bokhara	–	–	–	–	–	–	–	–	–	–	–	9	1	–	–	10	–	–	–	–	1	–	–	–	1
Punjabi	–	1	–	–	–	1	–	–	–	–	5	12	5	–	–	22	–	–	–	–	–	–	–	–	–
Hirati	–	–	–	–	–	–	–	–	–	–	–	2	–	–	–	2	–	–	–	–	–	–	–	–	–
Cyprus	–	7	3	–	–	10	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Catalonian	–	–	–	–	–	–	–	–	–	–	–	6	–	–	–	6	–	–	–	–	–	–	–	–	–
Khorasani	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	1	–	–	1
TOTAL	5	57	43	2	–	107	–	1	–	1	26	120	48	1	3	198	1	–	2	3	5	5	1	9	20
GRAND TOTAL	310																23								

APPENDIX XVI.

MULE-BREEDING OPERATIONS.

MEMORANDUM by *C. L. Sutherland*, Esq., on Mule-breeding in India.

(*Note.*—Stallion donkeys are referred to as "jacks," mare donkeys as "jennies," and the two together as "jack stock.")

General treatment of jacks.

IN mule-breeding operations it is desirable that, as a rule, the jacks be retained at the haras and not sent round the country (although the latter system is undoubtedly more conducive to their health and well-being) for the following reasons:—

(1.) Jacks will often refuse a mare until they have been prepared by the presence of the jenny. Another jack, or even a mule, will often produce the same effect.

(2.) Mares will often refuse the jack owing to fear, and require to be teased by a horse and blindfolded.

Some jacks will cover a mare as readily as they will a jenny, and such jacks can be allowed to "travel" as in England; but it will be found that they are the exception.

System in Poitou.

In Poitou, the great mule-breeding district of France, a haras is composed of from four to 10 jacks, a stallion horse which covers mares in cases in which it is considered desirable to breed horses and not mules, one or two jennies to excite the unwilling jacks, and one or two horse teasers. One of the latter is ridden daily in the season all round the neighbourhood of the haras to try the mares. Those that are found to be in season are, as soon as possible, brought to the haras, where the other teaser is retained for the purpose of further teasing the mares on arrival. A haras with, say, eight jacks will often have a *clientèle* of 600 mares.

It is thought that the above reasons are sufficient to warrant the recommendation that the jacks be retained at the haras, and only in special cases allowed to travel round the country.

Exercise or work.

Each jack should have a separate box, and should have daily exercise, either led or loose, in a well-secured paddock.

They can be more readily broken to harness and worked in carts than is generally supposed.

Food.

The feeding of all breeding animals requires special attention. All grain which is inordinately rich in fat-forming constituents, as, for instance, Indian-corn, should be given sparingly. Taken together, perhaps oats are the best staple food, to which a moderate amount of the leguminous seeds, peas, beans and vetches, all containing phosphorus, and as such highly conducive to the formation of good healthy male semen, may be added.

Rock salt.

A lump of rock salt, to keep the albumen of the blood in solution, should be placed in each jack's manger, and adds enormously to the general well-being of the animal, and is further thought by many to increase his procreative powers.

So-called vicious jacks.

There is no jack that is so vicious that he cannot be managed by an expert. Instead of vicious it is better to use the term lively. Some are very lively and frighten people not used to these animals. They will attack and savage a stranger, and take any amount of punishment on the head or body. The Americans have a saying that the "mule is very private and particular about his ears." The same applies to the jack. A small twig applied to a jack's ears smartly will keep him off a man better than a thick stick applied to his head or body. No jack will face a birch broom. At the sight of it he will retire to the further corner of his box. To lead a lively jack, get a twitch with a good thick piece of rope attached to it. Place the rope in his mouth, *i.e.*, on his lower jaw, and twist it till it is moderately tight. Keep as near the point of the shoulder as possible. If he is extra lively, put on two of these twitches, with a man to each twitch, one at each side of the animal. The length of the stick should be from three to four feet. This twitch is the severest way of treating a jack, and should be seldom required. A common iron or galvanised iron bit, with cheek-pieces from nine to 12 inches long, will generally suffice to lead and control a lively jack.

Use and abuse of sexual power.

Two leaps per diem from each jack, one in the morning and one in the evening, are all that should be expected, except in very special cases. In Poitou six or seven leaps, up to even 12, are daily exacted from each animal. The average mule-breeder of France is totally ignorant of the law of the physiology, and has only the love of immediate gain before his eyes. Although this abuse of sexual power does not seem actually to shorten the days of the jack, it materially affects his powers of fecundating his mares. I have known, however, of jacks of 25 years of age retaining their fecundating powers in spite of having been grossly abused.

Number of mares to each jack.

Looking at the well-ascertained fact that the mare holds less readily to the jack than to the horse, and consequently requires to be served in the generality of cases a greater number of times by the former in order to prove in foal, it is fair to put the number of mares for each jack at from 50 to 70. In cases in

which jacks are intelligently managed and fed, this number may be increased to 100 mares.

Jacks serving donkey mares.

Some jacks will never cover a mare after they have once covered a jenny. The first service should be on a mare if possible, and he should not be allowed to serve a jenny until the end of the season, after having served all the mares required. By the beginning of the following season he will have forgotten to a great extent the jennies, and will begin with the mares again. It is only natural that he should prefer his own species. There is a very marked difference in his behaviour and general demeanour when covering mares or jennies. In certain cases it may be desirable to reserve a certain proportion of the jacks for breeding what is called in the United States jack stocks, as it is quite possible to spoil a good mare-server by allowing him to have connexion with his own species. These reserved jacks are called jennet jacks in the United States.

Mode of exciting the jack.

The presence of a jenny is the best and simplest, but failing that, the presence of anything with which the animal has been brought up when young. The means vary with each animal, and it is often a tedious and slow process. Thus, a jack brought up with cows, as sometimes happens, will sometimes require a horned beast to be present as a *dernier ressort*. A jack I knew in Poitou had been hand-reared by a little girl, owing to his dam having been burnt to death the night he was born. This jack always required a *maquignon* or groom to clothe himself with a horse-rug round his legs before he would prepare himself. He was a most excellent mule-getter, but under ordinary circumstances, if transported far away, would have been at once condemned as useless in the absence of the above information. This subject will be more fully referred to under the heading of "the rearing of young jacks for mule-breeding purposes."

Some jacks are very lethargic, but this failing may generally be got over by allowing them to see another jack perform, when their feeling of jealousy will be aroused, and they will prepare themselves. A jack having been prepared, will sometimes require to be lifted on to the mare by two men, each man seizing a fore-leg, and care being taken that he cannot savage the men. He should not be muzzled as a rule. In cases in which the mare is much higher than the jack, the former should be placed in a hole with her head fastened to a strong ring in a ball in front, and a quantity of stable dung placed behind and firmly trodden down to the required height, which may in some cases be up to the hocks. This is the usual custom in France, Spain, and Italy. In the United States the jack is raised on a kind of platform, but having tried both plans, I incline to the former as the better and less dangerous method. It is imperatively necessary that the mare be hobbled. The neglect of this precaution results in broken legs and other injuries.

The rearing of young Jacks for Mule-breeding Purposes.

Rearing of jacks.

Looking at the fact that certain Punjabi, Bokhara, Persian, and, in the first instance, Arab donkeys have been considered good enough to use as jacks, it is fair to presume that among these breeds some jennies can be found good enough to continue the race of mule-getters when crossed once or twice with the imported European jacks. This is, however, a very important point, upon which I am unable to offer an opinion, as I have not seen the Indian jenny material upon which it is proposed to work.

In Mexico, and I am informed in Persia, immediately a jack is born he is taken from the jenny and handed over to a mare to suckle and bring up. This plan requires very considerable care to get the mare to take to the jack foal, but it is quite the best. If this arrangement cannot be carried out, the young jack may be reared by his own dam, weaned at six months, and then brought up, till he is two or three years old, in the constant company of a filly of his own age. The chief thing to bear in mind is that jacks, and in fact all animals, take to whatever they have been brought up with when young.

Pure-blooded jacks.

Reverting to the subject of the proposed crossing of the native jennies with the imported European jacks, I may state generally that I can bring very conclusive evidence pointing to the fact that this system has not succeeded in the United States, where mule-breeding was started under conditions precisely identical with those now prevailing in India, and where recourse is constantly being had to imported pure-blooded jacks.

Conclusion.

In this memorandum I have endeavoured to point out the practices followed in countries with which I am practically acquainted, and in which the breeding of mules is an all-important rural industry. There may be, and doubtless are, difficulties attending the carrying out of these practices in India, and I must leave the consideration of them to the authorities on the spot, as I am unfortunately quite unacquainted with India and its requirements and capabilities.

I only venture to suggest that the time would seem to have arrived when the whole question of the future supply of mule-getting jacks requires the serious attention and consideration of the Indian Government.

APPENDIX XVII.

MULE-BREEDING OPERATIONS.

STATEMENT showing Cost of FEED, KEEP, ATTENDANTS, &c., &c., of DONKEY STALLIONS in the BENGAL and BOMBAY PRESIDENCIES during the Official Year 1885-86.

PRESIDENCY, PROVINCE, AND DISTRICT.	Number of Donkey Stallions or Days.	Total Annual Cost.	Average per Donkey Stallion per Annum.	General Average in each Province.	REMARKS.
BENGAL PRESIDENCY.					
NORTH-WESTERN PROVINCES.		*Rs. a. p.*	*Rs. a. p.*	*Rs. a. p.*	
Babugarh Depôt	11,542	2,661 9 1	84 2 10		
Meerut District	3,300	1,174 11 6	129 14 10		
Bulandshahr	2,238	761 1 3	119 10 5		
Saharanpur	4,022	1,259 - 5	114 4 1		
Muzaffarnagar	3,069	1,009 3 9	120 - 5		
Aligarh	1,348	491 6 8	133 - 11		
Muttra	567	182 8 4	117 7 11		
Agra	334	99 12 3	109 - 5		
Etah	818	246 15 10	120 3 4		
Shâhjahânpur	418	140 - 2	122 4 1		
Budaun	1,374	462 3 8	122 12 7		
Bareilly	357	109 12 5	112 3 4		
Moradabad	1,796	663 7 4	134 13 4		
Bijnor	1,110	366 7 11	120 3 2		
Allahabad	365	112 1 6	112 1 6		
Mainpuri	393	114 9 4	134 4 6		
Etawah	59	22 7 9	139 1 8		
Dehra Dun	305	103 12 9	124 3 5		
Kumaon	393	134 12 -	125 2 4		
Gurgaon	672	186 8 -	101 4 9		
Delhi	981	322 14 6	129 2 3		
Kurnal	763	222 4 5	106 5 3		
Rohtak	1,058	303 10 4	104 12 -		
Umballa	112	36 - -	117 5 1		
Hissar	429	124 12 7	106 2 8		
Add charges for gear purchased	-	528 10 5	—		
TOTAL	37,823	11,870 12 2	- - -	114 8 10	
RAJPUTANA.					
Ajmere	365	114 5 -	114 5 -	114 5 -	
PUNJAB.					
Hazara	3,989	1,326 11 2	121 6 4		
Peshawar	1,827	629 2 2	125 11 -		
Mardan	816	297 6 9	133 - 7		
Kohat	365	129 2 7	129 2 7		
Jhelum	2,545	879 5 6	126 1 10		
Rawalpindi	19,803	6,951 7 2	128 4 -		
Gujrat	2,417	826 7 8	124 12 11		
Gujranwala	1,157	400 1 3	126 3 5		
Lahore	2,411	876 12 11	132 11 10		
Sialkot	2,010	633 5 3	115 - 1		
Gurdaspur	1,655	524 3 3	115 9 9		
Hoshiarpur	1,370	412 3 1	109 2 7		
Amritsar	2,702	888 4 1	119 15 10		
Jallandar	1,246	417 - 4	122 2 7		
Ludhiana	1,095	364 15 7	121 10 6		
Firozpur	2,489	783 8 5	114 14 5		
Montgomery	2,072	686 4 1	120 14 3		
Shahpur	2,841	944 8 3	121 5 7		
Jhang	1,537	557 6 3	132 5 10		
Dera Ismail Khan	980	307 13 3	114 10 5		
Bannu	1,185	466 - 11	143 8 10		
Dera Ghazi Khan	3,375	1,293 13 2	139 14 10		
Muzaffargarh	4,087	1,268 13 8	113 5 1		
Multan	2,804	988 - 2	123 9 9		
Veterinary School, Lahore	516	452 7 -	320 - 7		
Kangra	1,061	316 13 3	108 15 10		
Depôt	2,666	618 6 -	84 10 6		
Add charges for gear purchased	-	518 13 2	—		
TOTAL	71,021	24,759 4 4	- - -	127 3 11	

APPENDIX XVII.

MULE-BREEDING OPERATIONS.

STATEMENT showing Cost of Feed, Keep, Attendants, &c.—*continued.*

PRESIDENCY, PROVINCE, AND DISTRICT.	Number of Donkey Stallions or Days.	Total Annual Cost.	Average per Donkey Stallion per Annum.	General Average in each Province.	REMARKS.
BOMBAY PRESIDENCY.		*Rs. a. p.*	*Rs. a. p.*	*Rs. a. p.*	
DECCAN.					
Sirur	* 365	211 13 9	211 13 9		
Ahmednagar	365	267 13 7	267 13 7		
Khandesh	630	470 13 5	272 12 7		
TOTAL	1,360	950 8 9	- - -	255 1 9	
SIND AND CUTCH.					
Bhuj	365	168 2 3	168 2 3		
Umarkot	365	101 13 –	101 13 –		
Hyderabad	730	455 3 7	227 9 9		
Shikarpur	1,657	762 5 10	167 14 10		
Jacobabad	517	339 – 5	239 5 7		
TOTAL	3,634	1,826 9 1	- - -	183 7 4	

ABSTRACT.

Presidency.	Province.	Average in each Province.	Average in each Presidency.
		Rs. a. p.	*Rs. a. p.*
Bengal	North-Western Provinces	114 8 10	122 12 1
	Rajputana	114 5 –	
	Punjab	127 3 11	
Bombay	Deccan	255 1 9	202 15 6
	Sind and Cutch	183 7 4	

APPENDIX XVIII.

MULE-BREEDING OPERATIONS.

GENERAL STATEMENT showing Results of the Year's Operations during the Official Year 1885–86.

PRESIDENCY.	PROVINCE.	MARES COVERED. For Mule-breeding. During 1884–85.	For Mule-breeding. During 1885–86.	Donkey Mares for Donkey-breeding. During 1884–85.	Donkey Mares for Donkey-breeding. During 1885–86.	Number of Government Donkey Stallions employed at Stud Work. During 1884–85.	Number of Government Donkey Stallions employed at Stud Work. During 1885–86.	Average Number of Mares Covered during 1885–86, per Stallion employed in that Year.	MULES BY GOVERNMENT DONKEY STALLIONS FOALED DURING THE YEAR. Colt Mules. By Spanish.	By Arab.	By Bokhara.	By Italian.	By Punjabi.	By Persian.	By French.	By Hirati.	By Catalonian.	TOTAL.	Filly Mules. By Spanish.	By Arab.	By Bokhara.	By Italian.	By Home-bred.	By Punjabi.	By Persian.	By French.	By Hirati.	By Catalonian.	TOTAL.	GRAND TOTAL.	Number of Mares Covered in 1884–85, the Results of which are known.	Number of Government Donkey Stallions employed in 1884–85, Results of which as regards Covering are known.	Per-centage of Produce Foaled during 1885–86 to Mares Covered in 1884–85.	Average Number of Produce Foaled during 1885–86 per Stallion employed in 1884–85.
Bengal	North-Western Provinces	3,313	4,247	22	19	69	81	52·43	6	206	–	120	–	117	3	–	–	452	30	179	–	105	4	–	136	2	–	–	456	908	3,313	69	27·4	13·15
	Rajputana	30	2	–	–	1	1	2	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	Punjab	9,208	11,842	871	742	170	187	63·32	19	542	76	271	155	91	33	5	10	1,202	27	514	85	292	–	152	101	37	5	13	1,226	2,428	9,208	170	26·36	14·28
	TOTAL	12,551	16,091	893	761	240	269	62·64	25	748	76	391	155	208	36	5	10	1,654	57	693	85	397	4	152	237	39	5	13	1,682	3,336	12,521	239	26·57	13·90
Bombay	Deccan and Khandesh	80	44	–	–	5·41	3·00	14·66	–	3	–	8	–	–	–	–	–	11	–	4	–	5	–	–	–	–	–	–	9	20	80	541	25·00	3·69
	Gujarat and Kathiawar	–	16	–	–	·69	1·00	16·00	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
	Sind and Cutch	214	278	–	29	4·16	8·88	34·57	–	1	1	–	–	3	–	–	–	5	–	–	1	–	–	–	4	–	–	–	5	10	85	2·08	11·76	4·80
	TOTAL	294	338	–	29	12.17	12·88	28·49	–	4	1	8	–	3	–	–	–	16	–	4	1	5	–	–	4	–	–	–	14	30	165	7·49	18·18	4·005

EAST INDIA (HORSE-BREEDING).

COPY of the ANNUAL ADMINISTRATION REPORT on HORSE-BREEDING OPERATIONS in the BENGAL and BOMBAY PRESIDENCIES, for Official Years 1884-5, and 1885-6, omitting the MAPS and APPENDICES 6 to 17, inclusive.

(*Mr. Burdett-Coutts.*)

Ordered, by The House of Commons, *to be Printed,*
9 *September* 1887.

[*Price* 8 *d.*]

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H.—17. 3. 88.

EAST INDIA (DECCAN MINES).

RETURN to an Address of the Honourable The House of Commons, dated 27 April 1888;—*for*,

"COPY of MEMORANDUM of *Sirdar Diler Jung*, Secretary to His Majesty the Nizam's Government (Home Department), on the BUDGET ESTIMATE of the RAILWAY for Fasli 1297."

India Office,
30 April 1888.

J. A. GODLEY,
Under Secretary of State for India.

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(*Mr. James Maclean.*)

Ordered, by The House of Commons, *to be Printed*,
1 *May* 1888.

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and HODGES, FIGGIS, and Co., 104, Grafton-street, Dublin.

COPY of MEMORANDUM of *Sirdar Dilar Jung*, Secretary to His Majesty the Nizam's Government (Home Department), on the BUDGET ESTIMATE of the RAILWAY for Fasli 1297.

MEMORANDUM on the BUDGET ESTIMATE of the RAILWAY DEPARTMENT for FASLI 1297.

IT will be seen that the disposition of the columns in the estimate differs from that hitherto adopted, the change having been made under the orders of Government issued through the office of the Accountant General. The first column contains the estimate of the ensuing official year, the next three, the Regular Estimate of the past year, based as usual on eight months' actuals, and an estimate for four months, and the 5th column the actuals for 1295 Fasli.

2. The actuals of 1295 differ but little in detail, with the exceptions noted below, from the figures of the Regular Estimate of that year, given in the Budget Estimate of 1296 Fasli, and call for no remark; the large difference of H. S. Rs. 1,54,361 between the totals of the actuals and estimate, amounting to 16,29,546 and 17,83,907, is mainly due to the following items:—

RECEIPTS.	FASLI 1295.		DIFFERENCE.	
	Regular Estimate.	Actuals.	More than Budget Estimate.	Less than Budget Estimate.
	Hali Sicca Rupees.			
Net earnings - - - - - - -	5,81,208	7,19,645	1,38,437	—
Balance in the National Provincial Bank on 1st Fasli 1295.	6,11,580	3,20,700	—	2,90,880
Net actuals less than estimate - - -	- -	- -	- -	1,52,443

The increase in the net earnings is mainly due to a greater improvement in the passenger traffic than was anticipated when the four months' estimate was prepared, and in some degree, to the exceptional receipts derived from the conveyance of troops for Burmah, amounting to H. S. Rs. 20,271.

3. The

* *Note.*—The decrease in the balance in the National Provincial Bank on 1st Fasli 1295 is owing to the amount of H. S. Rs. 6,11,580, which was entered in Statement B. accompanying my note, dated 21st March 1886, on the question of the issue of Debentures, having been adopted as the Regular Estimate of the balance on 1st Fasli 1295. That amount, however, was the balance of the date of preparation of the statement, and was employed with the object of showing that the budget provision of 1295 was sufficient to meet the additional expenditure on account of interest by the issue of new debentures of the value of 758,400 *l.* The actual balance on 1st Fasli 1295, corresponding with 9th October 1885, was, however, only H. S. Rs. 3,20,700; but the larger amount of Rs. 6,11,580, instead of Rs. 3,20,700, was entered as the Regular Estimate of 1295, and which explains the difference shown in the last column of the above statement.

3. The same closeness is observable between the actual and estimated outlay of the year under reference, the totals being 20,87,096 and 21,70,498 respectively, giving a difference of H. S. Rs. 83,402, or less than 4 per cent. on the estimated cost, which must be regarded as a very satisfactory forecast, considering the large amounts involved, and the insecurity which attached to the estimating of the amount of interest payable to Indian and old English shareholders, whose shares were in process of redemption.

4. On comparing the Original and Regular Estimates of 1296 Fasli, the following relatively large differences occur under Receipts and Charges.

RECEIPTS 1296 FASLI.

PARTICULARS.	FASLI 1296.		DIFFERENCE.	
	Original Estimate.	Regular Estimate.	More than Original Estimate.	Less than Original Estimate.
	Halli Sicca Rupees.			
Net earnings - - - - - -	6,05,000	9,33,333	3,28,333	—
Contributions towards Railway Police by Foreign Companies.	12,000	7,865	—	4,135
Ditto Nizam's Guaranteed State Railways Company.	31,000	—	—	31,000
Interest on Government Debentures - -	1,50,000	1,15,995	—	34,005
Interest on Guaranteed Fund of 25½ Lacs of Government Rupees.	2,83,000	—	—	2,83,000
Interest on "Special Account" - - -	3,000	11,722	8,722	—
Interest on temporary investments made by the Railway Company of Surplus Capital raised for construction.	—	89,856	89,856	—

Net earnings more than Original Estimate H. S. Rs. 3,28,333.

5. It will be seen from the Regular Estimate that the eight months actuals alone were in excess of the Original Estimate by 24,594 rupees, while the estimated income for the remaining four months of the year has been fixed by the agent at 3,03,739, thus raising the net earnings of the year to over 50 per cent. in excess of the amount of the Original Estimate. A portion of the increase is owing to the exceptional receipts from the carriage of construction materials on account of the extension from Warangal to Dornakal, and the mineral line to Singareni; these receipts amounted to about H. S. Rs. 1,27,502, giving a per-centage of increase over the amount of the Original Estimate of 21; so that the balance of the increase amounting to H. S. Rs. 2,00,831, or about 33 per cent. is due to progressive improvement in the traffic on the lines, chiefly on that from Secunderabad to Warangal.

Contributions towards Railway Police by Foreign Companies. Less than Original Estimate H. S. Rs. 4,135.

6. The arrangement by which the Government paid the Railway Police and recovered from the G. I. P. and Madras Railway Companies, the share of the cost to be borne by them, continued to be in force up to the 31st December 1886; but from and after 1st January 1887, it was arranged with the Agent of H. H. the Nizam's Guaranteed State Railway Company, with the concurrence of the Resident, that he should pay the force, and on behalf of Government recover the shares due by the Railway Companies named, on half-yearly bills, provided that in the event of the Agent's not being able to effect a recovery, the amount shall be charged in the Half-yearly Revenue Accounts, thereby reducing the net earnings and in effect recovering the amount

amount from Government and that the 3-10ths share to be borne by His Highness' Government should be recovered from the net earnings of the half-year. Contributions have accordingly ceased to be credited in the Government Treasury.

7. The share of the cost of the Railway Police payable by this Company is debited in the Half-yearly Accounts and the net earnings remitted to Government; no contribution has therefore been received under the circumstances.

Contributions towards Railway by H. H. the Nizam's Guaranteed State Railway Company.

8. It will be remembered that the Government accepted 2,416 Debentures bearing the value of 100 *l.* each, in part payment of the sum of 1,666,666 *l.*, for which the late Nizam's State Railway was sold to the present Company, and for which it has received interest at 4 per cent.; the question of the rate at which Government should accept the Bonds was, however, reserved for future settlement.

Less than Original Estimate H. S. Rs. 31,000.

Interest of Government Debentures.

Less than Original Estimate, H. S. Rs. 34,005.

The question has recently been most satisfactorily disposed of, the Home Secretary having succeeded in obtaining from the Directors of the Railway an acknowledgment dated 1st July 1887 for 39,000 *l.*, bearing the same interest as the Debenture Bonds, with a promise to repay the amount "within three years from the date of the acknowledgment, by the issue to "Government of such and so many Debentures of the Company, as, taken "at their market price at the date of issue, will represent the said sum of "thirty-nine thousand pounds (39,000 *l.*)."

A narrative of the circumstances which led up to my deputation to England to settle the above and other questions connected with the Railway and of the complete success attending it, will be found under "General "Remarks."

9. The value of Government Debentures has therefore virtually been increased from 241,600 *l.* to 280,600 *l.*, but of this sum Bonds of the value of 108,500 *l.* have been transferred to certain English shareholders in redemption of their shares in the old Railway Company at the rate of 150 *l.* for 100 *l.* share, under the sanction of Government, leaving a balance of Bonds of the value of 172,100 *l.* only in the hands of Government; this accounts for the diminution in the amount of interest from this source, but it will not be forgotten that there is a corresponding reduction in the charge on account of perpetual interest on the old Railway shares, which stood at 6 per cent. It may here be noted that the Debentures originally accepted by Government at the value of 241,600 *l.* had no marketable value at the time, as they had not then been placed on the Stock Exchange, but that the balance at present on hand of the value of 133,100 *l.* have recently been exchanged for those of the Company, which have such marketable value.

10. The Trustees have not yet accounted for the interest due on the investment of 200,000 *l.* in 4½ per cent. rupee paper; but of its recovery there can of course be no doubt; they will be addressed with the view to the interest due to Government from the date of investment being at once recovered and credited in the National Provincial Bank of England and the interest accruing hereafter being realised as it falls due.

Interest on guaranteed fund of Government Rs. 25½ Lacs.

Less than Original Estimate H. S. Rs. 2,83,000.

11. The "Special Account" contained funds for the redemption of old English shares, but, as has already been shown, a large amount of shares has been redeemed by means of Debenture Bonds; hence there was a larger balance in favour of Government in that account than was estimated when the original Budget Estimate of 1296 was prepared.

Interest due on "Special Account."

More than Original Estimate H. S. Rs. 8,722.

12. Necessity having arisen for the use of the capital which had been temporarily invested, the stocks were sold out at a profit, including interest, of H. S. Rs. 89,856.

Interest on temporary Investment made by the Railway Company of surplus capital raised for construction.

13. It will be seen from my memorandum on the Budget Estimate of 1296 F. that with very little data I had estimated the income at half a lakh, but the amount was not entered in the Budget, as no accounts had been rendered.

More than Original Estimate H. S. Rs. 89,856.

CHARGES 1296 F.

14. Before proceeding to explain the larger differences between certain items in the Original and Regular Estimates, I may mention that, under the sanction of His Highness, I disposed of certain Government of India Promissory Notes of the 4 per cent. loan of the nominal value of Rs. 11,29,000 for a sum of 75,000 *l.*, which was duly paid into the National Provincial Bank to meet the dividend due to share and debenture holders for the half year ending 30th June 1887.

The Bank's receipt for the amount dated the 10th June 1887, is attached to this memo., *see* Appendix A.

	Fasli 1296.		Difference.	
	Original Estimate.	Regular Estimate.	More than Original Estimate.	Less than Original Estimate.
	Halli Sicca Rupees.			
Interest to Indian Shareholders - - -	2,70,000	2,45,000	—	25,000
Amount required for acquiring Indian Shares -	2,30,000	1,00,500	—	1,29,500
Interest to old English Shareholders - - -	70,000	34,800	—	35,200
Cost of Railway Police - - - - -	55,000	30,286	—	24,714
Conservancy - - - - - - - -	1,000	248	—	752
Pensionary Charges - - - - -	1,200	200	—	1,000
Extraordinary Expenses - - - - -	1,000	64,500	63,500	—

Interest to Indian shareholders. Less than Original Estimate H. S. Rs. 25,000.

15. It was noted in my memo. on last year's Budget, that there would be a saving from the full amount of interest due to Indian shareholders for which provision had been made as the shares were being redeemed; the event has justified the expectation, there being a saving of 25,000 rupees.

Amount required for acquiring Indian shares. Less than Original Estimate H. S. Rs. 1,29,500.

16. Three shareholders, one of whom, Mahomed Kamal Khan, owns shares of the value of 10 lacs, have accepted the Government proposal to pay one-twentieth of their shares half yearly and the bulk of the year's payment viz. 1,00,000 was made to the individual named. In my memo. on last year's estimate, I anticipated a saving in these words, "but it is doubtful whether "the full amount will be expended."

Interest to old English shareholders. Less than Original Estimate H. S. Rs. 35,200.

17. The saving under this head was also anticipated, the cause being indicated in the para. quoted below, "of course there will be a saving from "the amount allotted, should the shares outstanding on this date be "redeemed by the Government during the course of the year." The redemption has already been described under Receipts from Interest on Government Debentures, and the saving of Rs. 35,200 has resulted as a matter of course.

Cost of Railway Police. Less than Original Estimate H. S. Rs. 24,714.

18. It will have been seen from the remarks under Receipts, "Con- "tributions towards Railway Police by Foreign Companies," that the Government ceased to disburse the salary of the police from 1st January 1887. Hence the large saving from the amount of the original estimate.

Conservancy. Less than Original Estimate H. S. Rs. 752.

19. The Company having provided for a conservancy establishment at the Hyderabad station, the Government establishment was abolished on the 31st January 1886. There remains only the establishment at the Raichore station which costs only Rs. 2 per mensem.

Pensionary Charges. Less than Original Estimate H. S. Rs. 1,000.

20. The Sirdar having resigned his appointment in the British service on the 1st January 1887, the charge ceased from that date.

21. Of

21. Of this large amount of excess, a sum of H. S. Rs. 59,000 is due to the expenditure connected with the Home Secretary's recent deputation to England, a detailed account of which will shortly be separately submitted to the Government, with an explanation of the causes of excess over the amount, 2,000 *l.*, originally sanctioned for the occasion. Extraordinary Expenses. More than Original Estimate H. S. Rs. 63,500.

A special payment of 5,000 H. S. Rupees was made to the late Under Secretary, Mr. Syed Nur-ud-deen, on account arrears of increment to salary and for services rendered under the orders of Government, as per Political and Financial Secretary's No. 204, dated 26th April 1887, but for which of course provision could not have been made in the original Budget Estimate.

22. The difference between the total probable net outlay during 1296 F., as shown in the Original and Regular Estimates respectively, amounts to H. S. Rs. 3,06,508, as shown below :—

	Original Budget Estimate 1296 F.	Regular Budget Estimate 1296 F.	Difference.
	Halli Sicca Rupees.		
Receipts including opening balance - - -	15,96,372	16,03,451	
Expenditure - - - - - - - - -	30,85,500	27,86,071	
Expenditure in excess of Receipts - - - -	14,89,128	11,82,620	
Regular Estimate less than Original - - -	- - -	- - -	3,06,508

In other words the net expenditure during 1296 F. as per Regular Estimate, the bulk of which represents actual expenditure, will amount to 11,82,620 against the originally estimated outlay of 14,89,128, or result in a saving of H. S. Rs. 3,06,508.

This result, as will have been seen, is obtained from including the opening balances with the year's receipt, and shows the net saving in the liability of Government, but as an opening balance is not a constant quantity, the true increase or decrease resulting from the operations proper for the year can only be arrived at by eliminating the opening balances. The following statement prepared on this principle shows a saving on the original estimate of Rs. 3,68,400 instead of 3,06,508, as given above.

	Budget Estimate 1296.		Difference.
	Original.	Regular.	
	Halli Sicca Rupees.		
Receipts - - - - - - - - -	15,48,000	16,16,971	
Expenditure - - - - - - - - -	30,85,500	27,86,071	
Expenditure in excess of Receipts - - - -	15,37,500	11,69,100	
Regular Estimate less than Original - - -	- -	- -	3,68,400

23. From the tables of receipts and charges given in the earlier portion of this memorandum, it is apparent that there were seriously disturbing elements, involving large amounts in operation during the year, which might have discredited a less carefully prepared Budget, and that the comparatively small difference of H. S. Rs. 3,06,508 above shown justifies the adoption of the prudence described in the following extract from my memorandum on last year's estimate :

 "I have

"I have in all my estimates, while fully providing for all anticipated expenditure, together with a margin for unforeseen demands, understated the amount of receipts on principle with the happiest results."

24. The following rates of exchange have been employed in converting sterling money into Halli Sicca currency :

Actuals of 1295 - - - - - -	at 15 per £.
Regular estimate of 1296 - - - - -	16 „
Estimate of 1297 - - - - - -	16½ „

Excepting in the case of the expenditure incurred on the occasion of the Home Secretary's recent deputation to England, which has been converted at the rate of 1*s.* 5*d.* per British rupee, viz., the rate prevailing at the time, and which gives nearly 17 H. S. Rs. per £.

25. The details of the estimate of 1297 F. are reviewed in the subjoined remarks :

Receipts 1297 F.

Net earnings H. S. Rs. 7,84,100.

This amount represents the balance of the gross receipts after deducting the working expenses at 55 per cent. The estimate of net earnings has been furnished by the Agent, who considers it a "moderate one." The net receipts of the past three and ensuing years are as follow :

1294 F. - - - - - - - - -	5,02,409
1295 F. - - - - - - - - -	7,19,645
1296 F. - - - - - - - - -	9,33,333
1297 F. - - - - - - - - -	7,84,100

It has already been pointed out that the net earnings of 1296 F. contain special receipts to the extent of H. S. Rs. 1,27,502, which would reduce the ordinary earnings of that year from 9,33,333 to 8,05,831 ; but the working expenses of 1297 F. provide for a charge of H. S. Rs. 60,500 on account of the share of cost of renewal of Permanent Way (particulars of which are given under General Remarks), whereas the amount debited on that account in 1296 F. amounts to only H. S. Rs. 44,951, the difference of 15,549, being an excess charge in the later year ; allowing for this, the normal receipts of the two years compare as follow :

1296 F. - - - - - - - - -	8,05,831
1297 F. 7,84,100 plus 15,549 = - - - -	7,99,649
Difference less in 1297 - - - - -	6,182

The difference is relatively extremely small, being ·76 per cent. or 12 annas in one hundred rupees, so that the earnings cannot be said to be falling off.

Contributions for the Railway Police by Foreign Railway Companies and the Nizam's Guaranteed State Railway Company H. S. Rs. *nil.*

26. The reason for no contributions being realised from the Nizam's Guaranteed State Railway Company is obvious from the paragraph under the corresponding head of Receipt during 1296 F.

With regard to Foreign Companies it has been decided that the Agent who now pays the force should, on behalf of Government, and on the understanding already indicated under the corresponding head of receipts for Fasli 1296, submit to them for payment bills for the share of cost debitable to each Railway ; no receipt on account of contribution can therefore appear in the Accounts of Government in future.

Income by calls on Indian shareholders H. S. Rs. *nil.*

27. As the Indian shares are being acquired by the payment of 1-20th of the amount every half-year to those who accept the arrangement, there is clearly no need for making any calls on the shareholders.

28. The

28. The amount is larger than the estimated income of 1296 F. as the rate for converting sterling money into H. S. rupees has been assumed at 16-8-0 per £. for 1297, the last year's rate having been 16 only.

Interest on Government shares, H. S. Rs. 3,99,600.

29. The amount of interest has been calculated on a sum of 172,100 *l.*; the circumstances under which the Debentures in possession of Government have been diminished, are explained under the corresponding item of receipts for 1296, and need not be recapitulated here.

Interest on Government Debentures H. S. Rs. 1,10,000.

30. A sum of H. S. Rs. 2,83,000 was entered under this head in last years' estimate, but no interest has so far been credited in the National Provincial Bank from the time of the investment in rupee paper; its recovery will be insisted upon during the ensuing official year.

Interest on Guarantee Fund of (200,000 *l.*) Govt. Rs. 25½ Lacs. H. S. Rs. 4,10,000.

31. This is slightly in excess of the estimated income of 1296 F., and is due tothe higher rate of conversion referred to under interest on Government shares; the interest is credited in the bank in £ s.

Interest on Guarantee Fund of 15 Lacs of Government Rupees. H. S. Rs. 70,000.

This fund ws instituted as a guarantee for the payment of interest on the English shares in the old Railway Company, and would have been locked up for all time, but as all the shares have been redeemed, the fund has been set free, and is available for any purpose to which the Government may be pleased to devote it; the trustees of the fund have been instructed to make over the Government of India Promissory Notes to the National Provincial Bank.

32. It is difficult to estimate the income under this head; the estimated income of 1296 F., in even thousands, has been assumed as that for 1297 F.

Interest on creditor balance in the General Account. H. S. Rs. 3,000.

33. The special account has been closed, the purpose for which it was set apart, viz., the redemption of the old English shares, having been accomplished, and the balance, viz., 81,117 *l.* 4 *s.* 8 *d.* transferred to the general account on the 6th June 1887.

Interest on creditor balance in the Special Account, Nil.

CHARGES 1297 F.

34. The charge under this head will decrease, *pari passu*, with the progress made in the redemption of the shares; the probable outlay has been fixed at 25,000 rupees less than last year's figures.

Interest to old IndianShareholders. H. S. Rs. 2,20,000.

35. The Regular Estimate for 1296, which provides for the payment of the Treasury Bonds accepted by three shareholders, amounts to 1,00,500. H. S. Rs. 2,00,000 have been provided for 1297 to meet payments to those holders, as well as to others who may accept Treasury Bonds during the ensuing year.

Amount required for acquiring Indian shares. H. S. Rs. 2,00,000.

36. All these shares have been redeemed.

Interest to English holders of shares in the old Railway Company. H. S. Rs. Nil.

37. The full amount due on account of interest on the following shares and debentures at 5 per cent. has been provided for in the Budget Estimate.

Interest to English Shareholders in the new Railway Company. H. S. Rs. 25,07,000.

	£.
Shares - - - - - - -	2,000,000
Debentures - - - - - -	1,000,000
Add—	
Debentures to be issued. *Vide* remarks under receipts from Government Debentures, 1296 Fasli - - - -	39,000
TOTAL - - - £.	3,039,000

Equivalent to H. S. Rs. 5,01,43,500 at 5 per cent. = Rs. 25,07,175.

 38. These

Miscellaneous payments by the National Provincial Bank, H. S. Rs. 8,000.

38. These payments from their nature are difficult to estimate. Eight thousand rupees have been assumed as the probable outlay against the estimated amount of 10,655 for 1296, in which year, however, there were charges of an exceptional nature, not likely to recur in the ensuing year.

Cost of Railway Police, H. S. Rs. 20,400.

39. This amount represents the Government share of 3-10ths of the cost of the police, which under present arrangements is to be recovered from the earnings of the line, the net income only being credited to Government.

Conservancy, H. S. Rs. 24.

40. The only establishment now paid by Government is that at Raichur.

Office of Railway Secretary, H. S. Rs. 31,800.

41. A sum of H. S. Rupees 29,300 in round hundreds (the actual requirement being Rs. 29,280) was provided for in the Budget Estimate for 1296; the difference of 2,520 in excess in the allotment for the new year is made up as follows :—

	Rs.
1. Increment to the salary of the Under Secretary, for the performance of Railway Office Work 200 × 12 =	2,400
2. Ditto to the salary of the Muhafiz Dafter - - - 5 × 12 =	60
3. Ditto to the salary of Munshi 5 × 12 =	60
Vide Appendix B. TOTAL - - - *Rs.*	2,520

The Under Secretary's duties embrace a considerable amount of railway work for which he receives no compensation; a portion, viz., 300 rupees of the Secretary's salary is chargeable to the railway, and it seems only fair that the Under Secretary should draw a quota of his salary from the railway also.

The trifling increase of 5 rupees per mensem to the Persian Record-keeper and Munshi is well deserved. The men have been drawing the same pay for a long time, although their duties have increased, and are daily growing heavier. The Munshi was drawing 40 rupees in the Inam Department, but receives only 30 here.

Officiating Allowance, H. S. Rs. 1,000.

42. Provision for such charges has for the first time been made in the Estimate for 1297 Fasli. The necessity for it became apparent when officiating allowances fell due to the Under Secretary.

Pensionary Allowances, H. S. Rs. 600.

43. Last year, Rs. 1,200 were provided to meet the contribution towards pension of the Secretary, but as Sirdar Diler Jung has resigned his appointment under the British Government, that charge disappears.

A salary of Rs. 500 per mensem was promised to the Manager of the Home Secretariat when he was offered the Head Clerkship of the Residency three years ago, but an increase of Rs. 50 only was granted at the time, on the understanding that the other Rs. 50 would be given this year. It is proposed to bring up the gross salary to Rs. 500 by granting the Manager Rs. 50 to enable him to meet the contribution towards pension. He has worked in season and out of season and has certainly deserved promotion.

Contingencies, H. S. Rs. 11,000.

44. As proposed in the memorandum on the Budget Estimate for 1295 F. and accepted by Government, a lump sum of H. S. Rs. 11,000 has been entered on account of these charges. *Vide* Appendix C.

House Rent, H. S. Rs. 1,200.

45. The rent of the building occupied by the Home Secretariat is Rs. 200 per mensem, of which Rs. 100 are debited to the Railway Branch of the Home Department.

Batta, H. S. Rs. 200.

46. The same figure was entered in last year's estimate, though it was increased in Political and Financial Secretary's No. 159, dated 2nd Ramzan 1304 H., corresponding with 26th May 1887, in order that the total of the year's expenditure might add up to round hundreds.

47. This

47. This is necessarily a variable amount of charge; in last year's Budget, provision was made for Rs. 1,000, which sum, however, was subsequently increased to Rs. 6,000, to meet the payment referred to in the remarks on the Regular Estimate of 1296 under the corresponding head of Charge. Rs. 500 will, it is believed, suffice for the coming year, so far as expenditure of an extraordinary nature can be anticipated. Extraordinary expenses, H. S. Rs.500

48. Rs. 2,000 were provided in last year's Budget, the allotment for the current year has been entered as 1,976, in order that the total of the year's expenditure might add up in round hundreds. Travelling Allowances, H. S. Rs. 1,976.

General Remarks.

49. According to the Budget now submitted, the net outlay during 1297 Fasli amounts to H. S. Rs. 7,71,256 against a probable expenditure as per Regular Estimate of 1296 of H. S. Rs. 11,82,620 (which in itself is H. S. Rs. 3,06,508 less than the amount originally estimated for plus the supplementary grant of 5,000 sanctioned during the course of that year). The reduction amounts to Rs. 4,11,364, or over 34 per cent., and would have amounted to 35 per cent. but for the necessity for adopting a higher rate of exchange for the new year, viz., H. S. Rs. 16-8-0 per £., against H. S. Rs. 16 only for 1296 Fasli. But there is another source of income which, although it cannot be shown in the Budget Estimate as the earnings of the Railway, has unquestionably been evoked by it. I refer to the prospecting fee of Government Rs. 50,000, equal to H. S. Rs. 60,000 per annum, which the Hyderabad (Deccan) Company pays under the agreement dated 7th January 1886; this reduces the Government liability of 1297 F. from Rs. 7,71,256 to Rs. 7,11,256, which, however, includes a provision of two lacs for acquiring old Indian shares. Eliminating this charge as not connected with the administration of the Railway, we arrive at the remarkable and highly gratifying fact of the real charge on His Highness' Government on account of the scheme, as it has been established, dwindling down to Rs. 5,11,256.

50. From the remarks further on, with reference to the traffic in the Singareni coal, it will be observed that should the arrangement indicated come into operation, the earnings of the Railway will be increased by nearly 5 lacs of H. S. Rupees, the exact figures being 4,96,500, in which case the liability of Government will all but vanish.

51. Two funds ceased to exist during the past official year, viz., (1) that originally amounting to 625,000 *l.*, which was set apart for the redemption of old English shares, and (2) the old guarantee fund of 15 lacs of Government rupees. The shares outstanding when the fund for their redemption was instituted were of the value of 500,000 *l.*, and have been redeemed in the following manner:

	Value of Shares. £.
By cash payment, with a premium of 25 per cent. -	427,667
By Debenture Bonds at £. 150 per £. 100 shares -	72,333
Total value of Shares - -	£. 500,000

But the interest due on the shares up to the dates of redemption was also erroneously paid from this fund, instead of from the general assets of the Government in the National Provincial Bank, thus reducing what should have been the balance from 90,416 *l.* to 81,117 *l.* 4*s.* 8*d.*; this amount was transferred to the "General Account" on the 6th June 1887 and the "Special Account" finally closed.

52. The expedient of offering Debentures at 150 *l.* for 100 *l.* shares was resorted to, because the proposal to pay 125 *l.* in cash for 100 *l.* shares could not be accepted by those who held some of the shares in trust for widows and orphans, and there were also certain capitalists who had

banded together and refused to sell in the hope of getting a larger premium. As Debentures carry interest only at 4 per cent. to the holders, the interest payable on 150*l.* worth of the bonds amounts to 6 per cent., which is also the rate at which the old shares were issued; but as the Government obtained the Debentures at a discount of 16·14 per cent. from the Railway Company, it virtually paid only 125·8 *l.* for every 100 *l.* shares, or only 8 more than what a cash payment would have amounted to. But the old shares have been extinguished, and the Government has been relieved of the perpetual drain on its Exchequer of a 6 per cent. guarantee, while the Guarantee Fund, which, but for this scheme, would for ever have been locked up, has been set free and been added to the Reserve Fund for the purpose of reducing the liability of the Government, an event that could not possibly have been hoped for under the old régime. This desideratum has steadily been kept in view and has at length been attained. The deed of release of the fund has been signed by the Home Secretary on behalf of Government and, as already stated, the Trustees have been requested to transfer the rupee paper, of which the fund consists, to the National Provincial Bank. Of course, no lien now exists from any quarter on the interest accruing from the Promissory Notes.

53. Reference has been made to the transfer of the balance of 81,117 *l.* 4 *s.* 8 *d.* from the "Special" to the "General Account"; this amount has not, however, been allowed to lie idle; it has been utilised in the purchase of 12,500 shares in the Hyderabad (Deccan) Company, the history of which is hereafter related.

54. The first portion of the 1st section of extension, viz., from Secunderabad to Warangal, a distance of 87 miles, was sufficiently completed to be opened to traffic on the 8th April 1886. In my memorandum on last year's Budget, I showed that the receipts on the line during the 4¾ months ending 28th August 1886 were larger than the most sanguine expectations would have estimated them, and had the effect of appreciably increasing the per-centage of profits on the gross receipts of the 208 miles of open line, viz., from 42·08 to 45·46, the gain on the cost of construction having amounted to nearly 4 per cent. The per-centage of profits on the gross receipts rose in the half-year ending 31st December 1886, from 45·46 to 54, but it fell in the succeeding half-year, 30th June 1887, to 40·96. This, however, must be regarded as exceptional, and may be explained by the following facts:—

There was a much larger expenditure during this half-year than in that preceding it under several heads of account, viz.: Locomotive, Engineering, General Charges, and Special and Miscellaneous. On the other hand, earnings of an exceptional character to the extent of H. S. Rs., 1,27,500, were realised during the half-year ending 31st December 1886 from the carriage of construction materials on account of the extension from Warangal to Dornakal and the mineral line to Singareni. These two causes have naturally prejudicially affected the per-centages of profits of the half-year ending 30th June 1887.

55. There has been a drag on the revenue of the Railway since the half-year ending 30th June 1886, and which will continue until the half-year ending 30th June 1891, on account of the cost of relaying 22 miles of Permanent Way in the Hyderabad and Wadi line, being charged in the half-yearly accounts. The cost to Revenue under the rules regulating such charges amounts to Rs. 2,73,800 = H. S. Rs. 3,31,298.; of this amount Rs. 43,644 = H. S. Rs. 52,809 have been debited in the two half-yearly accounts ending 31st December 1886, leaving a balance of Rs. 2,30,156 = H. S. Rs. 2,78,489 to be adjusted by a charge of Rs. 25,000 = H. S. Rs. 30,250 in each subsequent half-year. These renewals have been very economically effected, for although the original cost of the 22 miles of Permanent Way in the old line was Rs. 7,01,717 = H. S. Rs. 8,49,077, the cost of replacement with steel rails of heavier section, six bolt fishplates and steel sleepers (which will have the effect of minimising the charges on account of maintenance in future years) has been only Rs. 4,09,045 = H. S. Rs. 4,94,945, or Rs. 2,92,672 = H. S. Rs. 3,54,132 less than the original cost, thereby relieving Capital of all charge on account of renewals with superior material;

material; but Revenue was in its turn relieved of a sum of Rs. 1,35,244= H. S. Rs. 1,63,645, the price at which the old rails were transferred for the construction of the mineral Branch from Dornakal to the Singareni coal fields, over which the traffic for some time to come is not likely to prove so heavy as on the main line and for which the rails have sufficient life. The saving effected by this substitution of old material for new, is estimated to amount to over 10,000 rupees per mile.

56. In my memorandum on the Budget Estimate for Fasli 1295, I showed from a statement made by the Secretary to the Resident P. W. D. in 1883, that the renewals of Permanent Way were estimated to cost the enormous sum of H. S. Rs. 43,20,000 in 20 years, whereas at the rate of renewals made by the Company the cost would amount to only H. S. Rs. 8,24,908, thus;

For 12 years from 1875 to 1886, H. S. Rs. 4,94,945.
For 20 years in the same proportion, 8,24,908.

This large expenditure of over 43 lacs would have had to be paid out of the Government Treasury in cash, if the Railway, which the shareholders claimed as their own, had to be worked at all.

57. The average percentage of profit on the gross receipts during the period when Government worked the line, viz., from 1879 to 1884, amounted only to 32·0, giving a return of but 2·23 per cent. on the cost of construction, while the shareholders were being paid at 5 and 6 per cent. Had the line still belonged to Government they would have been obliged, in addition to the usual liabilities, to meet the charge of Rs. 43,20,000, referred to in the preceding para., from the Treasury, as the work of renewal progressed, and the embarrassment which would have resulted from this heavy drain on His Highness's Exchequer may easily be imagined; but the sale of the Railway has, it will be perceived, relieved the Government of all solicitude in this matter.

The clouds which overshadowed the scheme when it was first undertaken disappear before these great results; the undertaking is a decided success on this date, and nothing but sheer perversity would predict of it anything but continued, to say nothing of progressive, success in the years to come.

58. A brief account of the Capital expenditure already incurred on the first estimates of the Railway extensions from Secunderabad, and of the further outlay necessary to complete them up to the frontier of His Highness's Dominions, based on the Agent's report, may not be out of place here and may be found to be interesting.

59. The Original Estimate on which the extension of the Railway from Secunderabad to the Eastern frontier of His Highness's Dominions was commenced, amounted to Government Rs. 1,56,76,749, equal to H. S. 1,89,68,866, as per particulars subjoined, and was sanctioned by the Government after it had been approved of by the Board of Directors in October 1884.

ESTIMATE of August 1884.

Particulars of Expenditure.	Section No. 1, 83¾ Miles; Secunderabad to Warrangal.	Section No. 2, 71¾ Miles; Warrangal to Dornakal and Mineral Branch.	Section No. 3, 56 Miles; Dornakal to the Frontier.	General Charges.	TOTAL.
	British Government Rupees.				
Five Heads of Construction - -	46,53,984	41,65,633	29,14,825	- -	1,17,34,442
Plant, Establishment, and Contingencies - - - - - -	5,81,133	5,08,268	3,80,970	24,71,930	39,42,307
Total { Government Rupees	52,35,117	46,73,901	32,95,801	24,71,930	1,56,76,749
Total { H. S. Rupees - -	63,34,492	56,55,420	39,87,919	29,91,035	1,89,68,866

60. In January 1886, however, when the works up to Warangal were far advanced and the time had arrived for making preliminary arrangements for commencing Section No. 2, viz., from Warangal to Dornakal, including the Mineral line, a Revised Estimate was, at the instance of the Board of Directors, prepared by the Agent, with the strictest attention to economy, and with reference to the price of iron at the time. In this Estimate, however, the figures of 1884 for the 3rd, or Dornakal frontier section, as well as for "General Charges," were retained, because more reliable data than that on which the Original Estimate was framed, were not forthcoming upon which a revision could be made. The following is the Revised Estimate :—

REVISED ESTIMATE OF JANUARY 1886.

Particulars of Expenditure.	Section No. 1, 87 Miles Secunderabad to Warangal.	Section No. 2, 69¾ Miles.			Section No. 3, 56 Miles Dornakal to Frontier.	General Charges.	Total.
		Warangal to Dornakal 53¾ Miles.	Mineral Branch 16 Miles.	Total.			
	British Government Rupees.						
5 heads of Construction -	43,96,416	27,19,767	8,68,112	35,87,879	29,14,825	10,000	1,09,09,120
(1) Plant - - - -							
(2) Establishment - -	4,89,934	3,19,021	98,275	4,17,296	3,80,976	26,71,930 *	39,60,136
(3) Contingencies - -							
Total Rs. - - -	48,86,350	30,38,788	9,66,387	40,05,175	32,95,801	26,81,930	1,48,69,256
Halli Sicca Rupees - -	59,12,484	36,76,934	11,69,328	48,46,262	39,87,919	32,45,135	1,79,91,800

* *Note.*—Contains Rs. 2,00,000 on account of London expenses, not provided for in the original estimate.

There is thus a saving on the Original Estimate of British

Government Rupees - 8,07,493

or Halli Sicca Rupees - 9,77,066

Original Estimate - -	Rupees	1,56,76,749
Revised Estimate - -	Rupees	1,48,69,256
Difference Saving - -	Rupees	8,07,493
	Halli Sicca Rupees	9,77,066

SECTION No. 1.

61. The 1st Section, Secunderabad to Warangal, was so far completed as to be opened to public traffic on the 8th April 1886, and although, during the unusually heavy rains of 1886, many slips occurred in the black cotton soil embankments, which moreover engulphed large quantities of ballast, the Engineers in charge, with great perseverance, kept the line open without obstructing the Traffic for more than a few hours during the whole of the rainy season.

62. The

62. The Revised Estimate for this Section, as will have been seen, amounts to British Government Rupees - - 48,86,350

Halli Sicca Rupees - - 59,12,484

but it is expected that the work will be completed for

British Government Rupees - - 44,50,572

Halli Sicca Rupees - - 53,85,192

giving a saving of British Government Rupees 4,35,778

Halli Sicca Rupees 5,27,292

Or nearly 9 per cent. thus—

		British Government Rupees.
5 Heads of Construction. Net expenditure up to 30th June 1887, after deducting gain by exchange in the local currency -	40,01,865	
Amount required to complete works - Plant, Establishment and Contingencies	2,17,120	42,18,985
Net expenditure, &c., as above - - -	2,12,512	
Further cost to date of completion of the line - - - - - - -	19,075	2,31,587
Grand Total Rs. - - - -		44,50,572

$$or \quad \frac{44,50,572}{87} = \text{Rupees } 51,156 \text{ per mile.}$$

The Section will thus have been constructed at British Government Rupees 51,156 per mile. Assuming that the rate of exchange since the commencement of operations has been 1 *s.* 6½ *d.* per rupee, this sum will be found to represent 3,943 *l.* per mile, a rate at which it may be asserted no broad-gauge line in India has yet been constructed. The Estimate of 1884 gave a rate Rs. 62,882 per mile, equal, at the rate of exchange then adopted, viz., 1 *s.* 7½ *d.* per rupee, to 5,109 *l.*, the lowest contracting rate in England being 5,500 *l.* per mile; so that the Company has profited by no less than 1,557 *l.*, or British Government Rupees 20,199 per mile, a result which reflects the highest credit on the Agent and Chief Engineer and his staff.

SECTION No. 2.

63. Since the preparation of the Revised Estimate of January 1886, a proposal was made and carried out for renewing a part (22 miles) of the old line, between Wadi and Secunderabad, with steel rails and sleepers, and utilising the worn rails, thus set free, in the construction of the mineral line over which, as already stated, the traffic for some time to come is not likely to be so heavy as on the main line; the result of this arrangement has been to reduce the cost of the mineral line by about Rs. 10,000 per mile, and to render the main line more substantial and efficient than heretofore. It has therefore become necessary to revise the estimate of the mineral line, and opportunity has been taken to revise, at the same time, the estimate of the line from Warangal to Dornakal (of which the Mineral line is an extension) in the light of the experience gained since the Estimate of January 1886 was prepared.

Second Revised Estimate of September 1887.

Warangal to Dornakal, including the Mineral Line.

Particulars of Expenditure.	Revised Estimate of January 1886.	Second Revised Estimate of September 1887.		
		Excluding Maintenance Charges.*	Maintenance Charges for One Year after Opening.	TOTAL.
	British Government Rupees			
Warrangal to Dornakal.				
Five Heads of Construction - -	27,19,767	26,59,239	1,19,428	27,78,667
Plant, Establishment, and Contingencies - - - - - - -	3,19,021	1,82,045	15,000	1,97,045
Total - - - *Rs.*	30,38,788	28,41,284	1,34,428	29,75,712
Mineral Line.				
Five Heads of Construction - -	8,68,112	7,82,665	44,528	8,27,193
Plant, Establishment, and Contingencies - - - - - - -	98,275	46,000	6,000	52,000
Total - - - *Rs.*	9,66,387	8,28,665	50,528	8,79,193
GRAND TOTAL *Rs.*	40,05,175	36,69,949	1,84,956	38,54,905
GRAND TOTAL H. S. *Rs.*	48,46,262	44,40,638	2,23,797	46,64,435

There is a saving therefore on the amount of the first Revised Estimate of - - - Rupees 1,50,270

H. S. Rs. 1,81,827

First Revised Estimate - - 40,05,175
Second ditto - - - 38,54,905

Difference Rs. 1,50,270

64. But the second Revised Estimate of September 1887 contains provision to the extent of Rs. 1,84,956 for "Maintenance Charges" for one year after opening, which, in accordance with clause 33 of the agreement, should be debited to Capital, while no provision had been made for them in the Revised Estimate of January 1886; the items of contingencies, however, in the latter Estimate, amounting to Rs. 1,90,722, more than covers the maintenance charges, so that the saving and additional charge neutralise one another.

In the second Revised Estimate, however, $3\frac{1}{4}$ additional miles of sidings at Yellindalapad have been provided for, the cost of which, at the rate of 55,222 Rs. per mile of the earlier Estimate amounts to Rs. 1,79,471, so that the saving of Rs. 1,50,270 is in effect increased to - - Rs. 3,29,741

H. S. Rs. 3,98,986

This

This section was commenced in April 1886, and is at present running material trains; it will be opened to public traffic, on or about the 1st January 1888.

SECTION No. 3.

65. This section, viz., between Dornakal and the Frontier of His Highness's Dominions, was permanently set out between June and November 1886, and the construction of all earthworks, rock cuttings, masonry works in the line and stations, together with the provision of all ballast, given on contract by the Board with the sanction of Government at the lowest possible rates obtainable to Messrs. Balchristna Karimji and Co., a well-known and thoroughly competent firm of Contractors of Hyderabad.

Work was commenced early in March 1887, and has since steadily progressed, the line being ready for the running of material trains up to Kamamett.

The acceptance of the tender of the Contractors named has necessitated a revision of the estimates of this section, and the result is very satisfactory, showing a saving of - - - - - - - - - Rs. 2,08,860

H. S. Rs. 2,52,720

As shown below:—

Particulars of Expenditure.	Original Estimate of August 1884.	Revised Estimate of September 1887.		
		Excluding Maintenance Charges.	Maintenance Charges for One Year after Opening.	Total.
	British Government Rupees			
Five Heads of Construction - -	29,14,825	27,06,609	1,13,360	28,19,969
Plant, Establishment and Contingencies - - - - - - -	3,80,976	2,54,472	12,500	2,66,972
Total - - - *Rs.*	32,95,801	29,61,081	1,25,860	30,86,941

Original Estimate	- -	Rupees	32,95,801
Revised ditto	- -	Rupees	30,86,941
Difference Less	- -	Rupees	2,08,860

66. There would have been a larger saving on the amount of the Original Estimate if the whole line from Secunderabad to Bezwada had been simultaneously constructed, as was recommended by the Agent in 1884; for then about half the Permanent Way would have been shipped to Cocanada or Masulapatam, thereby effecting a considerable saving in carriage from the port to site of works, the distance from Bombay to Secunderabad being very much greater than from the Eastern port to Bezwada. Under the orders of the Board, however, to complete the Western Section of the line first, a larger portion of the Permanent Way of Section No. 3 than was calculated upon in 1884 was laid from the Dornakal end. This action of the Board, it may be explained, was rendered necessary owing to the gratuitous attacks of the opponents of the scheme which made it inadvisable to raise a large amount of capital at once, and this end was wisely secured by the action of the Board.

67. It will have been noticed, that the Revised Estimates of 1887, referred to in the foregoing remarks, exclude "General charges," because, now that the Railway is being constructed as a whole, there is obviously no necessity for distributing Locomotive and Rolling Stock charges to the several sections.

68. The Original Estimate provided for British Government Rs. 24,71,930 on this account, but the following Revised Estimate, based on the approximate expenditure up to date, amounts to Rs. 43,54,073, giving an excess of
G. Rs. 18,82,143
H. S. Rs. 22,77,393

Particulars		Estimate of 1884.	Estimate of 1887.
		British Government Rupees.	
Plant		1,30,900	95,000
Rolling Stock		17,28,100	27,81,248
Establishment		4,96,500	4,87,500
Contingencies		1,17,330	1,00,000
		24,71,930	34,63,748
Suspense Stores		- - -	2,00,000
Expenditure on open line Secunderabad to Wadi, chargeable to capital account	Previous - 71,382 Now required 68,943	- - -	1,40,325
Home Board charges		- - -	2,50,000
Working capital		- - -	3,00,000
	Total	24,71,930	43,54,073

69. The reason why such large provision has been made for Rolling Stock is, the Agent states, because the more extended investigations at Bezwada lead to the expectation of brighter prospects of traffic on the opening of the system of Railways from Wadi to that place, and because of the probability that exists of the Company being required to work the British Section between Bezwada and the Frontier.

70. It must not be supposed, however, that the expenditure on Rolling Stock provided for in this estimate is wholly on account of the extensions beyond Secunderabad. When the Company became possessed of the Wadi-Secunderabad line, it received a number of decrepit vehicles of obsolete type, collected from various sources, and which represented the Rolling Stock of the line; these had of course to be renewed, a share of the cost of such renewals being debited under rule to Capital Account, *the account being that of the extensions*, as no funds had been provided for improving the old line. New vehicles and engines have been provided for the extensions of the Railway in the course of progress of work, and the old line has really existed, so far as running is concerned, on the Rolling Stock of the extensions. Had the old line not obtained this advantage, it is not too much to say that it would have ceased to run, at all events its operations would have been seriously crippled, unless additional funds had been provided to supply the Capital demands on account of Rolling Stock, a necessity which, but for the new scheme, would have imposed another heavy item of expenditure on the Government.

71. The Agent is convinced that the provision made for Rolling Stock is not excessive, that although the whole expenditure may not be incurred at first, "eventually it will be found to be essential to the success of the Railway," and that the working of the section in British Territory, which it is probable the Company will be asked to undertake, "cannot fail to prove profitable to both the Government and the Company." But the Government have

have decided not to sanction the additional Rolling Stock, estimated to cost British Government Rs. 10,53,148, as it is considered that the provision of British Government Rs. 17,28,100 made in the Original Estimate of 1884 will be found to be sufficient, at all events until the absolute necessity for increasing it actually arises; meanwhile it is not expedient to overstock the line with the view of meeting ultimate requirements, not originally contemplated in the estimates.

72. The Capital of three millions of pounds was raised for a definite purpose, viz., for the purchase of the old line, for constructing the Railway extension from Secunderabad to the Frontier of His Highness's Dominions and sufficiently supplying them with Engines, Carriages, Rolling Stock, Plant and Machinery, and judging from the expenditure which has been incurred on the project as a whole up to date, and the comparatively small amount of work remaining to be completed, there is no reason whatever for supposing that it will not be completed for the amount raised. The Agent estimates an excess of 96,442 *l.* over and above the amount of the three millions of Capital raised; eliminating from this amount the cost of the additional Rolling Stock provided for in his Revised Estimate, viz., British Government Rs. 10,53,148, equal at 1 *s.* 4½ *d.* per rupee to 72,403 *l.* 18 *s.* 6 *d.*, there remains a balance of 24,038 *l.* 1 *s.* 6 *d.*, which can probably be met from anticipated savings in the cost of Works still remaining to be completed.

73. Summarizing the Revised Estimates for works, the Expenditure on which constitutes only a portion of the outlay for which the capital of three millions was raised, they compare with the Original Estimates of 1884, as shown in the following table :—

Particulars.	Original Estimate of 1884.	Revised Estimate of 1887.	Difference. More than Original Estimate.	Difference. Less than Original Estimate.
	British Government Rupees.			
Section No. 1, Secunderabad to Warangal	52,35,117	44,50,572	—	7,84,545
Section No. 2, Warangal to Dornakal and the Mineral Line	46,73,901	38,54,905	—	8,18,996
Section No. 3, Dornakal to the Frontier	32.95,801	30,86,941	—	2,08,860
General Charges of the Three Sections	24,71,930	43,54,073	18,82,143	—
Grand Total { Rupees	1.56,76,749	1,57,46,491	69,742	—
Grand Total { H. S. *Rs.*	1,89,68,866	1,90,53,253	84,387	—

74. It will be seen from the foregoing summary that the amount of the Revised Estimate exceeds that of the Original by $\frac{\text{Rs. } 69,742}{\text{H. S. } 84,387}$, but by omitting the cost of the additional Rolling Stock, not contemplated in the original arrangements, viz., Rs. 10,53,148, the total of the Revised Estimates shows a saving of $\frac{\text{Rs. } 9,83,406}{\text{H. S. } 11,89,921}$, notwithstanding that they contain a provision of Rs. 8,90,325 on account of the purposes marginally noted, which were not foreseen when the first estimates were

Suspense Stores	2,00,000
Capital expenditure on Wadi-Secunderabad Line	1,40,325
Home Board Charges	2,50,000
Working Capital	3,00,000
Total	8,90,325

were prepared, so that the saving is increased from $\frac{\text{Govt. R. S. } 9,83,406}{\text{H. S. Rs. } 11,89,921}$ to $\frac{\text{Govt. Rs. } 18,73,731}{\text{H. S. Rs. } 22,67,214}$. It is, however, only right to mention that of the savings of $\frac{\text{Govt. Rs. } 18,73,731}{\text{H. S. Rs. } 22,67,214}$, $\frac{\text{Govt. Rs. } 5,75,039}{\text{H. S. Rs. } 6,95,750}$ is for fencing, which the Board do not wish to have. Had the fencing been provided, however, the saving would have amounted to $\frac{\text{Govt. Rs. } 12,98,731}{\text{H. S. Rs. } 15,71,464}$, or over 8·3 per cent. on the amount of the Original Estimate, a highly satisfactory result when it is remembered that very little, if any, data were procurable on which an estimate of outlay spreading over a number of years could have been based, and that the approximate cost of the great undertaking amounted to upwards of 1½ crores of British Government Rupees.

75. Singareni Coal was not utilised to the extent that was expected during the past official year, owing to the failure of certain temporary bridges which had been set up to carry forward the Railway materials, and which severed communication with the mines. This occurred early in June, and it was found impossible to maintain a service of trains between Warangal and Yellindalapad; this, however, has since been remedied, and the Railway may now be counted upon as a coal carrier. It is anticipated that coal will be freely used during the coming official year, with the certain result that the working expenses of the line will be further very much diminished. In the prospect of coal entirely superseding firewood, the cutting of wood fuel has been discontinued, a measure which must prove beneficial to the country, as conducing to a greater rain-fall, it being the opinion of scientists, that the fall of rain diminishes with the denudation of forests, and increases with their restoration. It may not be considered out of place to mention here the expectations before us as to the utilization of the coal in other directions than the Railways in the Hyderabad Territory.

76. A few weeks ago I proceeded to Bombay in company with Mr. Pendlebury, the Traffic Manager of the N. G. S. Railways, with the special object of ascertaining what could be done for the introduction of Singareni coal amongst the Mills. We interviewed nearly all the principal Mill owners, who expressed themselves as very anxious indeed to give the coal a proper trial; they all promised that if they were given the coal at even the same cost as English coal, allowing for any difference in the inferiority of the local article entailing the use of larger quantities, they would nevertheless give it the preference, as they wish to have a supply which would not be affected by wars and strikes or by any other cause outside of India. It was arranged with the owners of 12 principal Mills, that they should work them for a week on the Singareni coal, paying the same amount as it would have cost them had English coal been used, and furnishing a report comparing the quality of the coal with the English article.

77. The Mill owners expressly wished that the experimental supply should not be sent to them before the end of October, so that the coal may not be at a disadvantage from wetting in the rain. Mr. Pendlebury accordingly addressed the General Traffic Manager of the G. I. P. Railway to allow this consignment to be sent on at the rate of 3 pies per ton per mile, the earning being divided between the two Railways in the ratio of the mileage run over each line. It was also proposed to the G. I. P. Railway authorities at the same time, subject of course to the approval of the Board of the Directors of His Highness the Nizams' Guaranteed State Railway Company, as well as of the Mining Company, that the same rate should be accepted as fixed for the carriage of all coal to Bombay, as, though it was exceedingly low, it was a rate that would pay, while a higher rate would raise the cost of the coal and hamper its competition with English coal. After much deliberation, in which the pros. and cons. of the case were thoroughly gone into, the Agent of the Company agreed, if the coal could not find a market except it be conveyed at the rate of 3 pies per ton per mile, to recommend it for the acceptance of the directors, and the Nizam's State Railway officials also undertook to represent the matter to the Board of their Railway Company.

72. The

78. The consumption of coal by the numerous Cotton Mills at present existing in Bombay has been estimated at 200,000 tons a year, to say nothing of the requirements of the new Mills, which are in course of erection and will before long be at work, and of the existing Cotton Presses, Flour Mills, Oil Mills, Ice and other Miscellaneous Factories. The conveyance of this quantity from the Pit's mouth to Bombay at the rate of three pies per ton per mile would yield an income of Government Rupees 20,43,750, or in round figures, 20½ lacs, out of which Rupees 8,71,407, or in round numbers 8,71,500, equal to H. S. Rs. 10,45,800, would be the share of our Railway. Assuming the working expenses at 52·52 per cent. on the gross receipts, which is the mean rate for the half years ending 31st December 1886, and 30th June 1887, *viz.* $\frac{46 \text{ plus } 59{\cdot}04}{2}$ (and in reality it will be much less, owing to the decrease in the working expenses consequent upon the substitution of coal for firewood and the increase in traffic), the net earnings on account of coal will amount in round numbers to H. S. Rupees 4,96,500, a result which must be viewed with the utmost satisfaction; for once the coal has established a reputation for itself (and of this there is hardly a doubt) the income from the traffic of this article alone will help to pay about one per cent. out of the five now paid by Government to the shareholders of the Railway Company. But it might be advanced that the estimate of the output of 200,000 tons of coal per annum is too sanguine, when judged by the fact that an output of 5,000 tons per week, or 260,000 per annum, is regarded as very large for an English colliery. To this it might be replied, that the circumstances under which English collieries are worked and those which obtain in the Singareni coal-fields are not analogous, and that their results therefore cannot possibly be compared with one another, nor can the productive capacity of the latter, under the conditions under which they will be worked, be estimated by data derived from the operations of English collieries; moreover, the area of those collieries is limited, owing to the high value of land, and the coal is therefore exhumed from vast depths, with extensive galleries, by the aid of costly labour and machinery; whereas in the virgin fields of Singareni the material is to be found in abundance at depths which, compared with those of English mines, might be said to be immediately underneath the surface of the ground, and can therefore be easily lifted out by inexpensive Machinery. The English collieries have likewise to contend against water and noxious gases which are happily absent in the Singareni field; further, when it is remembered that cheap labour abounds in the country, the extraordinarily favourable position of the Singareni coal-fields may be regarded as proved. No known coal-field in England, America, Australia, or any part of the world is, so far as I know, of the size, and possessing the advantage of the Singareni coal-field, which has an area of 16 square miles, and has given indisputable proofs, under repeated geological investigations, of containing an inexhaustible supply of coal. It is utterly impossible, therefore, to compare the Singareni coal-field, either as regards its working or its output, with any English coal-field; the comparison would manifestly be unfair to the former. The average output of the Singareni coal pit is estimated at 200 tons per day, and as the equipment of three pits has already been provided, there can be no doubt, from the data before the Government, that the three pits should, after the expiration of the next three months, together yield 600 tons per day, or 219,000 tons in a year, and as the fields are practically unlimited in area, it is not extravagant to state that they may at any time be made to yield a supply sufficient for any demand which may possibly be made upon them, as it is only a matter of increased labour, machinery, and so many pits to enhance the output to any extent. Indeed, I have induced the well-known firm of Contractors, Balkrishna Karimji, to come forward and make a proposal to undertake to raise 1,000 tons of coal a day at Rs. 2-8 per ton, under a penalty of Rs. 100 a day in the event of non-fulfilment of their guarantee, and the acceptance of which is strongly recommended both by the Agent of the Mining Company and Mr. Hughes, the Executive officer in charge of the colliery.

79. In connection with the transmission of the coal to Bombay, the question as to whether it may not be found to be cheaper, when the Railway reaches Bezwada, to send it by sea from Cocanada or some other eastern

port, has been carefully considered, and the following points have come under notice :—

1. Owing to the transhipments which will have to be made when the coal reaches Bezwada by Railway, before it can be landed at its destination, viz., (1) from Bezwada to Cocanada by canal boats, and (2) from thence to ships by sea boats, it has been carefully ascertained that there will be a loss of at least 10 per cent. in the quantity. The loss would be less if the coal is bagged, but the expedient cannot be adopted owing to its enormous cost, which would more than swallow up the 10 per cent. saved in quantity.

2. It will take 10 days for a boat to make the canal trip (to and fro).

3. It will be next to impossible to get boats at Bezwada as the supply is little more than sufficient for the traffic the country produces; the boats themselves are neither adapted for nor capable of conveying large quantities of coal, so that a fleet of boats will have to be provided by the Mining Company at a cost of about 15,000 *l.*

4. A Steam Launch would be required to make the risky passage of that portion of the canal which crosses the Godavery, especially when in flood. The launch would cost about 2,000 *l.*

5. Another fleet of sea boats would probably have to be provided, the canal boats being too fragile to be seaworthy, especially in rough weather.

6. There is no regular trade from Bombay to Cocanada, so that the ships will have to return in ballast only. The following estimates compare the cost of conveying the coal by Railway and by sea respectively to Bombay :—

Cost of One Ton of Coal to Bombay.

SEA ROUTE.	*Rs.*	*a.*	*p.*
Cost of coal at pits	5	–	–
90 miles of railway fare to Bezwada at 3½ pies per mile	1	10	3
Shipping into boats at Bezwada	–	4	–
5 per cent. loss on coal at Bezwada from transfer	–	6	1
Canal freight to Cocanada at 2½ pies per mile	1	11	1
Shipping into sea-boats	–	4	–
5 per cent. loss from transfer	–	8	–
Port shipping charges	1	8	–
Carriage by sea to Bombay	5	–	–
Landing charges	1	8	–
Total – *Rs.*	17	11	5

Note.—The lowest rates have been adopted, so that the estimate of Rs. 17. 11. 5. per ton must be regarded as a very sanguine one.

RAILWAY ROUTE.	At 3 Pies per Ton per Mile.			At 3½ Pies per Ton per Mile.		
	Rs.	*a.*	*p.*	*Rs.*	*a.*	*p.*
Cost of coal at pits	5	–	–	5	–	–
653 miles of railway fare from pit's mouth to Byculla	10	3	3	11	14	6
Total – *Rs.*	15	3	3	16	14	6

Cost of one ton plus 20 per cent. or 1⅕ ton of Singareni Coal.

	Rs.	*a.*	*p.*
At the rate of 3 pies per ton per mile	18	3	11
At ditto 3½ ditto ditto	20	4	7
By Sea Route	21	4	1
Average cost of English coal	20	8	–

80. We thus see that the Singareni coal, after making due allowance for its inferiority as compared with English coal, is cheaper when conveyed by Railway, than the English article, by Rs. 2-4-1 if the railway charge be 3 pies

3 pies per ton per mile, and by 0-3-5 if the rate be 3½ pies, and that on the other hand if the Sea route be adopted, the cost is raised by 0-12-1 per ton over that of English coal. It is quite certain therefore that the cost of the coal, when conveyed by Sea, puts it out of competition with English coal, which is of course *the* end in view. Here the question arises whether it will pay the Companies concerned to carry the article at the low rates of 3, and 3½ pies. This is best answered by the statement, that testimony is forthcoming from such able and experienced Traffic Managers as Mr. Conder of the G. I. P. Railway, and Mr. Pendlebury of H. H. the Nizam's State Railway, who after careful scrutiny and mature deliberation have arrived at the conclusion that the rate of 3½ pies will be remunerative, if not the 3 pies rate, though Mr. Conder was not clear on this point; but when in addition to this we have the positive fact that the E. I. Railway is carrying wheat from Jabalpur to Howrah at the low rate of 3·30 pies per ton per mile, and that the Baroda Railway is carrying the same commodity from Delhi to Bombay at less than 4 pies per mile, there can be no doubt whatever, that when we can get traffic like coal, on which there is no risk of loss by damage or robbery, in full train loads, the 3 pies rate will yield a fair profit to the two Railways.

81. But there is yet another consideration which would militate against the adoption of the Sea route, even if it were cheaper than the Railway route, and that is that the Hyderabad (Deccan) Company is bound, under para. 13 of their agreement of the 7th January 1886, to provide Mineral Traffic on the Railway to an extent of a freight of 45,000 *l.* per annum, "provided that the Railway Company gives reasonable facilities for such traffic, and the development and working of the Mines produce sufficient for that purpose." So that until the traffic on the 90 miles of Railway from the pits to Bezwada gives a freight of 45,000 *l.* per annum, which at the rate of 1 *s.* 4½ *d.* per Rupee would mean the carriage of 398,962 tons of coal, the Mining Company is debarred under the agreement from using any other mode of transporting their coal to Bombay than the direct Railway route. With the object of conclusively proving to the Mining Company from reliable data, that there is every possibility of their being able to provide the stipulated traffic, I proceeded to Bombay, as already stated, to make the inquiries indicated in para. 76 of this Memo., and arranged to send out 1,000 tons of coal on behalf of Government, as the Mining Company hesitated to do so, in order to find out accurately, by the actual use of the article, what would be the practical results.

82. After having demonstrated in unmistakeable terms as above, that the Mining Company can provide the stipulated traffic of 45,000 *l.* a year with profit to themselves, it is simply a matter of vigorously prosecuting the Mining work, an object which I have procured the means of accomplishing by securing a highly respectable, wealthy, and reliable firm of Contractors to open out as many more pits as will enable the Mining Company to more than fulfil their engagement with the Government.

83. Under clauses 3 and 13 of the Mining Agreement, the Company have undertaken to make it their first object to vigorously work the coal-field at Singareni, and to provide a Mineral Traffic to an extent of a freight of not less than 45,000 *l.* per annum; and there is no doubt but that in their own interest, the Directors of the Company will not fail to fulfil their engagements with His Highness's Government. Indeed, the Directors of the Hyderabad (Deccan) Company pledged themselves at a General Meeting, held in July last, to arrange for the raising of 1,000 tons of coal per diem from October last, and they have therefore no option but to fulfil their engagement to the Government and the shareholders. On the other hand, it is not reasonable to suppose that the Railway Company would by any possibility refrain from accepting a coal traffic at 3 or 3½ pies per ton per mile, when it has been conclusively proved above that it can be hauled at those rates with a fair profit, especially when they are bound to give every facility to the Deccan Company in the matter. To do so would entail a loss of net revenue, estimated at H. S. Rs. 4,96,500, for which the Company might not be able to see their way to become responsible to Government as

well as to their shareholders, of which the Government is the largest, while under Article 12 of the Agreement with the Government the N. G. S. Railways Company is *bound* not to charge a higher rate than that charged by the G. I. P. Railway Company.

84. The only point remaining to be considered is, whether the consumption of the Nizam's State Railway, and other connected lines, would not quite exhaust the output of the mines for the present, without resorting to the Bombay market.

The Government of India in para. 5 of their "Memorandum on the question of the gauge of the Nizam's State Railway Extension," dated May 1884, calculate the consumption on the lines indicated at 183,988 tons per annum, which represents an output of 504 tons a day. In para. 6 of the same report, the Government of India states that "Singareni Coal could not profitably be supplied to the Vizagapatam-Raipur line, as there would be three transhipments, besides an expensive transit from Cocanada to Vizagapatam. That railway will probably be supplied with English coal, or from the Rewah or Hengir fields," and if this inability to compete with English coal be true of a sea journey of 100 miles only, how much more hopeless must the competition be when the journey from Cocanada to Bombay is 1,456 miles, or 14½ times as long. The Directors of the Mining Company have arranged to send out a competent Mining Engineer with machinery capable of raising 1,000 tons a day, that is to say, 365,000 tons a year, or, allowing for holidays and interruptions in work, say 325,000, and as the Government of India, as already shown, estimate a Railway consumption at 183,988 tons only, there will be a surplus of 141,012 tons. What alternative it may be asked is there before the Company but to resort to the Bombay market for the disposal of this surplus?

85. It has thus been satisfactorily demonstrated (1) that the surplus of Singareni coal, after meeting railway requirements, should be transported entirely by Railway, and (2) that it should be taken to the Bombay market, if the undertaking is to be successful and prove remunerative to the Mining Company, the Great Indian Peninsula Railway Company, His Highness the Nizam's Guaranteed State Railways Company, and His Highness's Government.

86. On the 13th May 1877 I proceeded to England under the orders of His Highness to confer with the Company's Board of Directors on certain very delicate and important points; they are stated briefly as follows :—

I. The price at which the 2,416 Debentures received by Government in part payment of the purchase by the Company of the late Nizam's State Railway should be accepted.

II. Government control over Capital and Revenue expenditure.

III. Audit of accounts by an officer appointed by the Government.

The controversies arising out of these questions were the cause of my deputation to England. Shortly after the commencement of Railway operations in March 1884, the Company explained that, owing to certain unfounded attacks on the project, their shares were being quoted at a discount of 8¾ per cent. in the Stock market, and that the price would be further depressed, if more capital were called up to enable them to pay off the sum of 341,666 *l.* still due to Government for the purchase of the old Nizam's State Railway; that the capital in hand was insufficient for the construction of 40 miles of Railway unless money was raised on Debentures; such an expedient, the Company observed, would entail a heavy charge on Government on account of interest, because a larger number of Debentures would have to be issued to raise the necessary capital, unless there was a rapid recovery in the price of shares; they therefore suggested the adoption of one of two courses, viz., the acceptance of 341,666 *l.* on Debentures, or the postponement of the cash payment until after the completion of the 1st section of Railway. The Government, having been led to believe by the Agent's statements that the Company would not improbably have to be wound up if payment of the 341,666 *l.* were insisted on, recognised the necessity of aiding the Company and

and consented, though most reluctantly, to accept 241,666 *l.* in Debentures and 100,000 *l.* in cash, on the distinct understanding that *the details of the transaction would be subject to settlement hereafter.* On its appearing, from a communication from the Secretary to the Railway Company in July 1884, that the Debentures had been issued to Government at *par*, the transaction was objected to, and it was pointed out from correspondence that the words "details of the transaction," above quoted, had been distinctly stipulated at the time to mean the *price* at which Government should receive the Debentures, although on the urgent representation of the Company's Agent, a reference to rate was withheld in the Government correspondence. That officer, however, was asked to inform the Board that, in the opinion of Government, 80 *l.* per 100 *l.* Debentures (that is to say, a discount of 20 per cent.) was a fair price, although they did not fix that amount. The Board, in reply, took exception to the rate mentioned by Government; they said that in asking for the acceptance of Debentures instead of cash, to enable them to tide over the temporary difficulty already adverted to, they expected that Government would have received the Debentures at their *par* value of 100 *l.* each, and retained them until the increase in the market value made it possible for them to reimburse themselves in cash by the sale of the Bonds, and not have depreciated their own credit to the value put upon it for the moment by the market. They alleged that they failed to see in what way the Government had assisted the operations of the Company, or showed its confidence in the project, if its assistance and confidence were of no greater value than what was obtainable in the market; also that no formal offer of a price had been made in the Government correspondence, and that the extremely low rate of 80 *l.* for 100 *l.* bonds was understood to have been mentioned only by way of illustration. In response to this statement of the Board's views, it was explained that Government had stipulated that the Debentures should be issued at the prevailing market rate; that the transaction was a financial one, and that it was therefore not fair that the Government should be asked to place themselves in a less favourable position than a purchaser in the market would be. As to the allegation that Government had not assisted the operations of the Company, it was pointed out that at a critical juncture, when no one was coming forward to accept the Debentures, the Government stood in the gap, thereby accrediting the scheme and raising the confidence of the public in it. True, the Government had not *fixed* a price, but it had expressed its willingness to have the question settled by arbitration.

Then ensued a correspondence which extended over two years, in which the controversy ran high, straining the amicable relations which had existed between the Government and the Board, and inducing a disposition on both sides to resort to the last expedient of arbitration for the settlement of the point in dispute.

The Resident, however, in writing to the Minister on the 15th March 1887, observed that the questions under reference, involving "as they do a large sum of money and the future relations of the Company with His Highness's Government, as regards expenditure, were of an importance which seemed to demand a proper and full, though temperate and conciliatory, representation of His Highness's interest in London during the next two or three months, and that if arbitration is, as it is hoped it may be, avoided by this step, the expense of sending the Government Director to England with this object would be saved over and over again." I was accordingly ordered by His Highness to proceed to England, and, as already stated, left India on the 13th May last.

87. As might be expected, the whole question had to be gone into *ab initio*; the Government claim to a discount of 20 per cent. was again preferred, and the reasons which justify it were fully and clearly stated before the Board, but they declined to accept the valuation put upon the Debentures, and proposed that the Government should accept them at the same rate at which they were issued to the Syndicate, viz., 15 per cent. discount. It was considered inadvisable to press the Board to yield to the full demand of the Goverment, and arbitration was regarded on all hands as extremely injurious to the interests of both the Government and the Company, par-

ticularly as the Board alleged that such a procedure might lead to the conclusion that the Government wished to profit in accepting its own security, and that it manifested a lack of confidence in its own stock. Here was a dilemma; on the one hand, the Board, having taken up so determined an attitude as they did, would have felt themselves bound in self-justification, as well as self-respect, to refer the question to arbitration, even though they had lost the case, unless some concession were made; while, on the other hand, I was urged by Government, by telegram, to effect a compromise; the situation was a delicate one, requiring to be carefully handled, but the negotiation happily eventuated in the Company's granting a Promissory Note for 39,000 *l.*, bearing interest at 4 per cent. per annum, from 1st July 1887, to be redeemed within three years by Debentures at their market price when a new issue is made. Appendix D. is a copy of the Board's Resolution, dated 5th July 1887, in the case and of the Promissory Note referred to.

88. It will be found that the amount accepted on behalf of the Government represents a discount of 16·14 on Bonds, $2{,}416 \times 100 = 241{,}600$ *l.* instead of 20 per cent., or only 3·86 less than the per-centage originally demanded. But it may be remarked that there has been a loss to Government of 6,240 *l.* = H. S. Rs. 1,02,960 on account of interest on the amount from the date of acceptance of the original Debentures, viz., in July 1884, up to 1st July 1887, the date of the Promissory Note. Thus has a *vexata quæstio*, which at one time threatened to mar the harmonious relations of the Government and the Company, been finally and amicably settled, the Government having received H. S. Rupees 6,43,500.

89. The second and far more important point at issue between the Government and the Board was the extent of the control to be exercised by the latter over Capital and Revenue expenditue. The position taken up by the Board with regard to Capital expenditure was that a General Estimate having already been accepted, it was not within the scope of the contemplated control by Government to require the submission of half-yearly detailed estimates of the several component parts of the project for sanction, before the works could be undertaken, and that as long as the General Estimate was not exceeded, any interference in the matter of details was not justified by the terms of the Agreement dated 27th December 1883, while as to Revenue expenditure, the Board contended that the only power conceded to Government under the agreement was that of *Audit* and not of sanction or supervision.

90. The attitude of Government, it was explained to Mr. Winter, who was specially deputed to Hyderabad by the Company to discuss the question under notice, was, as regards Capital outlay, that the sanction accorded on abstract statements was only a general sanction, and did not preclude the Government from satisfying itself during the progress of works that the money was necessarily expended, and that the sanction could not be regarded as a final one, precluding the Government from all voice in the matter, because if further monies were required, the Government could not refuse sanction, if the necessity were proved, by taking shelter under the first sanction; that were it conceded that the general sanction, accorded to abstract estimates drawn up in 1884 is to hold good for all time, then it would obviously be useless to ask the sanction of Government to subsequent and half-yearly estimates, and yet it is perfectly clear that such sanction is absolutely necessary under the terms of the agreement; that to accept all expenditure as legitimate simply because it is covered by the aggregate of the lump sum allotments in the General Estimate, thereby justifying the diversion of savings from one allotment for increasing other allotments, would manifestly be no control at all; that the Government and the Company alike expected to reap the benefit of such savings, and are interested in keeping the expenditure well within the estimate; that the absolute necessity for economy has all along been insisted upon by Government, not because there has been any squandering of capital, but because the safest course to adopt is to keep down expenditure to a minimum compatible with efficiency, for the very cogent reason that the success of the undertaking

taking depends on economical working, and that therefore the Government contend that they have authority to discuss and question the proposals submitted to it, and cannot conceive that the right to interfere in the details of Capital expenditure is in any way restricted by the approval and acceptance of an abstract estimate of outlay, which must, from its very nature, have been prepared on insecure data.

91. As regards Revenue expenditure it was shown from facts which had transpired, how necessary it was both for the Government and the Company that there should be some supervision maintained; that Government had a right to control the expenditure, and by exercising the power of audit, which the Board fully recognized, was really able to withhold sanction to the admission of any charge; that His Highness's Government was not assuming an attitude which was not justified by the analogous position occupied by the Government of India towards the Guaranteed Railways in British Territory; that it was inequitable that Government should not have some control over Revenue expenditure when such expenditure meant a reduction in net earnings, which it had to supplement under the Guarantee to meet the interest due to shareholders; the Board of Directors it was considered would only be too glad to find that a close supervision was being exercised by Government, which is not only as much interested as the Company in the economical working of the Railway, but being on the spot is in a position to exercise a closeness of supervision which a Board in England, however able, cannot possibly claim to bestow on operations carried on in a different continent, and that they would doubtless consider it due to the shareholders, of whom the Government is the largest, to encourage as much as possible scrupulous supervision over both Revenue and Capital expenditure. All this ground was gone over before the Board of Directors, when their Resolutions of the 27th and 28th June 1887 were passed (Appendices E. and F.).

92. It will be seen that the Resolution of the 28th June was passed after the opinion of Counsel, consisting of the Attorney General and Sir Horace Davey, had been taken and that that opinion was adverse to the right of Government control over Revenue expenditure. On the 5th July 1887, the Board passed another Resolution, in modification of that of the 28th June, so far as Revenue expenditure is concerned (Appendix G.); but as I did not wish to commit the Government in any way, I withdrew from the conference room, and in my letter dated 15th July (Appendix H.) to the Secretary to the Board, positively declined to admit the Board's decision, based as it was on the opinion of the Attorney General obtained on an *ex-parte* statement of the case, and maintained the Government views of the contract and its right thereunder, viz., that it was fully entitled to the control of both Capital and Revenue expenditure.

93. With regard to the third question, viz., audit of the Railway accounts by a Government officer, the divergence between the views taken by the Government and the Agent and Chief Engineer of the Company may be briefly stated as follows:—

The Agent and Chief Engineer had originally proposed that the Company's accounts, both of Capital and Revenue, should be prepared by the Company's Chief Accountant, but be audited by an officer of the Accounts branch of the Public Works Department of the Government of India, and recommended a continuation of the system under which the Examiner, Public Work Accounts, Hyderabad, supervised the Railway accounts. While, however, this proposal was under the consideration of Government, the Agent forwarded a revised proposal, materially differing from that previously made. The revised proposal contemplated not only the compilation, but the complete audit of the accounts by the Chief Accountant of the Company, "the Examiner exercising an extraneous audit of the accounts, partaking more of the nature of a *partial* check combined with a general supervision that the system of accounts as laid down for State Railways is duly followed, rather than a detailed and complete audit of receipts and expenditure."

 94. The

94. The Resident and the Government of India having expressed themselves in favour of the revised proposal, and as His Highness's Government was desirous of meeting the wishes thus expressed, they allowed the system a trial, and it has been in operation up to the present moment; but the event has proved that the original proposal of an independent and complete check and audit is the most desirable in every respect, and the Government therefore came to the conclusion that arrangements should at once be made for instituting such check and audit by the appointment of a Government Auditor, whose salary would be debited to the working expenses of the Railway.

95. This question was also fully discussed with the Board and was satisfactorily settled, as will be seen from their Resolution dated 5th July 1887 (Appendix I.), in which the principle of audit advocated by the Government is unhesitatingly acknowledged.

96. The services of an Officer in the Accounts Branch of the Public Works Department of the Government of India have since been engaged, and he will enter upon his duties in a few days.

97. Reference has been made in this Memorandum to the purchase by Government of certain shares in the Hyderabad (Deccan) Company. The Mining concession, it will be remembered, was at one time part and parcel of the Railway Scheme, but was subsequently separated. When I proceeded to England in 1883, full authority was conferred upon me to sign all necessary documents, and transact business of whatever nature connected with the Mining and Railway projects. Owing to the vagueness of the first Mining Proposal, and Schedule, I had a revised draft prepared by a Committee of Legal and Mining Experts; but since the installation of His Highness was approaching, I considered it advisable to postpone the definite conclusion of the contract, and gave the Concessionairies merely a verbal promise that I would do my best to bring about a satisfactory settlement. Sir Salar Jung, writing to the First Assistant Resident on the subject on the 14th January 1885, observed as follows :—

> "The orders of the Council of Regency no doubt invested SIRDAR DILER JUNG with full power to conclude the Mining agreement, and he would doubtless have done so had he considered it prudent; but, with the caution which has marked all his proceedings, he did not communicate the orders of the Council of Regency *officially* to Messrs. Watson and Stewart, nor did he give any general acceptance, or even *assurance* based on the original proposal. His Highness's Government could not, in its own interests, let the opinion of professional experts pass unheeded and conclude such an important agreement on the terms of the original proposal in the face of repeated and authoritative assertion that it was vague and would lead to complications."

The draft agreement drawn up by the experts was fully and carefully considered in its *minutest* detail by H. E. the Minister and His Highness the Nizam, as well as by H. E. the Viceroy and Governor General in Council, and after prolonged and mature deliberation was signed by the Minister at Hyderabad on the 7th January 1885 in the presence of a representative of the Resident. The agreement was subsequently considered and ratified by Her Majesty's Secretary of State for India.

98. Up to this point the Government interest in the undertaking was confined to the ownership of the land on which the Company is carrying on its operations and the income derived from Prospecting fees and Royalty. Limited though the assets of the Company were with fully paid shares amounting only to 17-20ths* of the Capital of one million pounds, it was deemed of importance that a sufficient number of Shares should be acquired to give the Government, as in the case of the Railway, a predominant interest in the concern, with a certain amount of control over the operations of the Mining Company.

99. I would here mention the circumstances which made it possible for the Concessionaires to dispose of their rights to the Company at the high price

* The price paid by the Company to the Concessionaries for the transferred rights, as will be seen from Appendix J., which is an extract from "Burdett's Official Intelligencer," for 1887, issued under the sanction of the Committee of the London Stock Exchange, pages 690 and 691.

price of 850,000 *l.* in fully paid 10 *l.* shares, out of a Capital of one million. At an early stage in the negociations, and acting on the advice of the legal advisers of His Highness's Government, I most strongly urged the fixing of the subscribed Capital at 500,000 *l.* in order to secure the soundness of the undertaking and prevent the Concessionaires from making the project a purely speculative one and reaping an unduly large profit, a tendency towards which had been indicated by the original proposal of the Concessionaires to raise only 100,000 *l.* by debentures, and not to provide any subscribed Capital at all. On the pressing representation, however, of Mr. Winter, the Company's Attorney, the late Minister reluctantly agreed to reduce the subscribed Capital to 250,000 *l.*, but it was subsequently further reduced because the Government of India had, in the interim, in their printed Memorandum A. and B., forwarded with Resident's letter dated 6th May 1885, suggested that 100,000 *l.* was a sufficient Capital with which to work the Singareni coal-fields. Although Sir Salar Jung did not agree with the Government of India, the subscribed Capital was, in deference to their wishes, fixed at 150,000 *l.*; but Sir Salar Jung, in his letter to the Resident dated 10th August 1885, pointed out that the Government of India proposed to modify the revised draft, and thus actually made the concession more favourable to the Promoters than was contemplated in the draft agreed to by their constituted Attorney: as, however, the object of the Government of India was to bring about the floating of a practical scheme, His Highness's Government had assented, as far as possible, to the suggestions made. Copies of the correspondence referred to are appended, marked K. Thus the fixing of the fully-paid shares at 850,000 *l.* was the result of limiting the subscribed Capital to 150,000 *l.* (notwithstanding my oft-repeated representations to fix it at 500,000 *l.*), with the result that the value of each share practically amounted to only 1 *l.* 10 *s.*, instead of 10 *l.*; that is to say, 150,000 *l.* divided by the total number of shares, 100,000. Had the amount of subscribed Capital been fixed, as I had *strongly urged*, at 500,000 *l.*, the Concessionaires would have been deprived of the opportunity of profiting in the way they did. Of course this reduction of the subscribed capital does not directly affect the Government of His Highness in any way; but the carrying out of my proposal would have resulted in the Company having 500,000 *l.* to expend in Mining operations instead of only 150,000 *l.*

100. On the other hand, it is most remarkable, that the minerals which were perfectly valueless so long as they had remained latent—which they did for centuries—and would have continued so to remain had the concession not been granted and prospecting operations carried on, should have acquired a reputation for such enormous value after the investigations instituted by the Concessionaires indicated success. Before the scheme had acquired its later reputation, however, the shares were so little valued in the market, that they were offered at a lower figure than 1 *l.* 10 *s.*, the average price above-mentioned, and even at that price no buyers were found owing to the fact that the first call of 75,000 *l.* had to be paid forthwith for the agreed paid-up capital, leaving a further liability of 75,000 *l.* to be paid on such shares in future calls. With this view the market appears to have been forced by shareholders, and the result was that the shares were found to be practically valueless. When, however, the actual value of the undertaking was proved by further prospecting operations, they became valuable securities, and therefore the *pros* and *cons* of the case were submitted for the orders of His Highness. It was explained that when the Deccan Company was floated and the public issue of shares made, the mineral wealth of His Highness's Dominions was not (and is not even now) fully known. Prospecting operations had not been commenced, the prospects of the Company could not be gauged, nor had the Company itself acquired much publicity; but that after prospecting operations had advanced, the existence of mines satisfactorily established and the facts of the case notified by the Directors at a General Meeting, the shares which had been *nominally* issued at par (10 *l.* each), were being quoted at 11 *l.* 5 *s.* each and almost immediately afterwards rose to 11 *l.* 15 *s.*, and in another week to 13 *l.* 10 *s.*, the market being firm at that price. It was, moreover, believed

believed in certain quarters that in the event of diamonds being found, the shares would run as high as 30 *l.*; that the investment certainly had in it the element of speculation, as there was of course the possibility, though not the probability, of neither diamonds nor gold being forthcoming, in which case the Company would have to rely entirely on its operations in the coal-field, and notwithstanding that the existence of coal in abundance and of good quality had been fully established, it was questionable whether that in itself would prove sufficiently remunerative to pay a fair dividend on a Capital of a million sterling, especially as the development of a coal-field was a matter of time; that in such an emergency the value of the shares might fall considerably below par, and the Government should be prepared for that event in deciding to make an investment. The loss that would result in such a case was emphasised in the statement presented to His Highness. This it was submitted was the unfavourable aspect of the question, but there was also a favourable aspect.

101. It is true that the researches of the Company for diamonds have not so far been succesful, but of their ultimate success there is no reasonable ground for doubt, as it is inconceivable that the Partyal, better known as the Golkondah Mines, reputedly the richest in the world, could have been exhausted by the crude operations of olden times. It is believed that there are in the Lingasugur district three bands of gold-bearing strata, while as to the iron found in his Highness' territories, Mr. Hughes, an officer high up in the Geological Department of the Government of India, considers it to be of a very superior quality, the tests applied having given remarkable results. The working of only one of the gold bands will, it is estimated, yield a large dividend on the capital of one million, and if all the three bands are worked, the profits should be simply incalculable.

102. His Highness having called upon the Political and Financial Secretary, the Nawab Mohsin-ul-Mulk (Moulvi Mehdi Ali) for an expression of his opinion, that officer stated, that after careful consideration of the proposal, in both its aspects, viz., the pecuniary benefit to Government, and the control that it would be able to exercise over the operations of the Company, he had arrived at the conclusion that it was desirable that the investment in the shares of the Company should be made. "The Sirdar," said the Political and Financial Secretary, "had been very cautious in exhibiting every possible unfavourable feature, and had pointed out that possibly neither gold nor diamonds might be found;" but he was nevertheless of opinion that the investment would be profitable, and that it would confer upon Government the right to control the transactions of the Company. Moulvi Mehdi Ali also stated that there was a balance of 80,867 *l.* in the Special Account with the National Provincial Bank, and 17,839 *l.* in the General Account, making a total of 98,706 *l.*, and that the difference or 21,294 *l.* between this amount and 120,000 *l.*, the sum required to purchase the shares, might be advanced by the National Provincial Bank, the advance being refunded in due course.

The proposal was also laid before the Resident for submission to the Government of India, from whom, however, no reply was received to the telegrams sent by the Resident at the urgent request of Sirdar Diler-ul-Mulk, as will be seen from the following telegrams from the Resident to his Highness's Government:—

Mahbleshwar, 10th May 1887.

"No reply yet received from Foreign."

Mahbleshwar, 11th May 1887.

" About investment, I do not think India will interfere one way or the other, but no reply has yet arrived."

103. The reason for the silence of the Government of India was, that the matter had been referred to the Secretary of State. It was considered in Committee, and laid before the Council and passed, the proposal having been considered by the whole Council, including the Secretary of State, who has the best means of judging of its value, as sound and desirable, both from a political and financial point of view. The approval of the Government of India was also subsequently signified. The following order was passed by his Highness in the case :—

" His Highness is pleased to accord his warm approval of the investment, and directs that it be carried out. The Resident's consent has also been obtained. His Highness orders 10,000 shares to be purchased at the most favourable rates, up to 12 *l.* per share. The money is to be paid out of the Special and General Accounts of the railway at the National Provincial Bank."

On my arrival in England, however, I found the purchase of the shares a more difficult matter than I had expected, as they were firmly held by the public as a sound investment. After discussing the matter with experts and brokers in Committee, I addressed Mr. Watson, the Government Agent, who regarded the contemplated purchase as a most difficult negociation, and suggested that the Government should acquire a proportion of the 5 *l.* paid shares, that is to purchase, say, 3,750 5 *l.* paid shares at 7 *l.* each, and 8,750 fully paid shares at 12 *l.* each, or 12,500 shares for 131,250 *l.*, leaving a sum of 18,750 *l.* to be paid on future calls.

By this arrangement 2,500 shares in excess of the number authorised would be purchased at an additional cost of 11,250 *l.* in cash, plus 18,750 *l.* to be paid in future. This proposal was telegraphed to India on the 3rd June 1887, eliciting a reply from His Highness on the 6th idem, that the arrangement was " most satisfactory."

The shares were accordingly purchased, costing, with incidental expenses, 132,881 *l.*, thus :—

	£.	s.	d.
8,750 10 *l.* shares at - - - 12 *l.* each	105,000	–	–
3,750 5 *l.* ditto - - - 7 *l.* each	26,250	–	–
Stamps - - - - - - -	656	5	–
Fees - - - - - - - -	1	5	–
Brokerage - - - - - - -	312	10	–
	132,220	–	–
Commission at ½ per cent. to Mr. Watson, Government Agent - - - - -	661	–	–
TOTAL - - - £.	132,881	–	–

Funds for the purchase were provided from the following sources :—

	£.	s.	d.
General Account - - - - -	18,711	11	–
Special Account - - - - -	81,117	4	8
Advanced by the N. P. Bank - - -	33,052	4	4
TOTAL - - - £.	132,881	–	–

Copies of the accounts and documents relating to the transaction, showing in minutest detail the amount paid for the shares, the sources from, and the manner in which purchased by several leading brokers through the Stock Exchange, together with a copy of the Resident's letter dated 19th August 1887, to the address of His Excellency the Minister, in which that gentle-

man expresses an opinion of the value of the investment and of the manner in which the negotiations connected with it were conducted, are attached to this Memorandum as Appendix L. 1 to 8. I believe that the latest quotation of the shares is £. 12-5, so that the Government investment is already worth considerably more than the amount paid. Owing to the purchase of these shares the Government have acquired the right, so long as they hold them, to nominate two Directors on the Board. The Right Honourable Lord Lawrence and Sirdar Diler-ul-Mulk have been so appointed, the former to attend the meetings of the Board in England, and keep the Government fully informed of its proceedings, and the latter to control the operations of the Company in India.

104. It will be seen on reference to the Budget Estimate accompanying that the actual receipts and charges for 1295 Fasli were as follows, giving a net outlay of H. S. Rs. 7,78,250 :

Expenditure - - - - - -	20,87,096
Receipts - - - - - - -	13,08,846
Net Expenditure - - -	7,78,250

105. The cash balance in hand on 1st Fasli 1295 has not been included under receipts for the reason already given, viz., in order that the true result due to the transactions of the year might be brought out.

106. In the forecast of expenditure made in my Memorandum on the Budget Estimate for the year under reference, page 8, I set down H. S. Rs. 9,68,000 as the probable figure, the actuals, as already shown, being only Rs. 7,78,250, or H. S. Rs. 1,89,750 less than the forecast. When it is remembered that the earnings of the extension to Warangal had to be estimated without any data as to goods traffic, except the very insecure one of the old cart traffic through the country, and when no idea could be formed of the passenger traffic, the forecast of expenditure must be regarded as a surprisingly close one. I shall now essay a revised forecast of expenditure for the whole period of the guarantee of 20 years, viz., from the middle of Fasli 1293 to the middle of Fasli 1313, as, since the preparation of the one given in my Memorandum on the Budget Estimate of 1295 Fasli, more reliable data are available on this date. The actual and probable expenditure for 4½ years, out of the 20, viz., up to 1297, amounts to H. S. Rs. 42,32,733, as detailed below, and is compared with the first forecast :

	Forecast of 1295.		Actuals and Later Estimates.	
1293	- -	1,95,000	- - - -	3,60,372
1294	- -	11,17,000	- - - -	7,08,824
1295	- -	9,68,000	- - - -	7,78,250
1296	- -	14,07,000	- - - -	11,58,287
1297	- -	11,83,460	- - - -	12,27,000*
	Total -	48,70,460	Total -	42,32,733
			Difference in Forecast : Less -	6,37,727

107. It

* *Note.*—The difference between these figures and those given in paragraph 49, viz., Rs. 7,71,256 represents the estimated opening balance of Rs. 4,55,744 in the National Provincial Bank of England on 1st Fasli 1297, and which is the income from the Reserve Fund, *i.e.*, the interest on shares, debentures, promissory notes of guarantee funds, and creditor balance. This income is credited, in the case of shares and debentures, in January and July of each year, and in that of a creditor balance on 30th June and 31st December, while the interest on promissory notes is brought to account as it actually falls due and is recovered. The Bank renders half-yearly accounts, so that the receipts of the first calendar half-year, plus the estimated receipts from 1st July to 10th October, which corresponds with 1st Fasli, is shown as a balance at the credit of Government at that date, there being no payments on account of interest between 1st July and 31st December of each year. If that balance had not been shown as an asset to meet the liability of Government in 1297, the payment for the year would fictitiously have appeared to amount to Rs. 12,27 000 instead of Rs. 7,78,250 only.

107. It will have been seen that notwithstanding the large excess of Rs. 1,65,372 in 1293 F. due to the insufficient data on which the Budget was prepared, the actuals and later estimates for the period in question show a saving of Rs. 6,37,727, furnishing another instance of the reliability of the Estimates prepared by me, as not presenting *couleur de rose* statements leading to financial difficulties afterwards, but as exhibiting the worst possible circumstances of the case to be steadily faced and successfully overcome.

108. Omitting the outlay during these 4½ years for the present, we have to prepare a forecast of outlay during the remaining 15½ years of the Guarantee, and taking the lowest Estimate of Earnings based on the present actual income, and exhibiting generally the worst possible features of the financial aspect, the results are as follows :—

109. The average net earnings of the Secunderabad and Wadi line, based upon the actuals of the two years during which the Company owned and worked the line, viz., 1885 and 1886, amounts, after eliminating certain special receipts on account of carriage of construction materials for the lines of extension, to H. S. Rs. 5,19,692, or say 5,20,000 in round thousands.

110. The average net earnings of the extension from Secunderabad to Warangal, 87 miles, based on the receipts from 8th April 1886, the date on which the line was opened to traffic, and excluding special receipts as above, amount to H. S. Rupees 2,05,818, or say 2,06,000; applying this income to the entire length of the extensions from Secunderabad to the Frontier, a distance of 210 miles, we obtain H. S. Rupees 4,97,241, or say 5,00,000, as the probable amount of net earnings from this line of Railway. But in addition to these normal receipts, a net income of H. S. Rs. 4,96,500 is expected to be realised from the traffic from the Singareni Coal, as has already been estimated in an earlier portion of this Memorandum. There is also the interest which Government derives from the investments in the Shares and Debentures of the Railway Company, as well as from the Guarantee funds. The probable amount of receipts from all these sources during the 15½ years ending the middle of Fasli 1313 therefore amounts to H. S. Rupees 3,46,23,900 as particularized below :—

RECEIPTS.

NET EARNINGS.

Secunderabad Wadi Line - - -	5,20,000	
Secunderabad Frontier Line - -	5,00,000	
Coal Traffic - - - - - -	4,96,500	
Total for one year - - -	15,16,500	
For 15½ years - - - -	H. S. Rs.	2,35,05,750

INTEREST.

Government Shares 500,000 *l.* at 5 per cent. - - - - - -	3,99,600	
Government Debentures 172,100 *l.* at 4 per cent. - - - - -	1,10,000	
Guarantee Fund of 200,000 *l.* = 25½ lakhs of Government Rupees at 4½ per cent. - - - - - -	1,37,700	
Guarantee Fund at 15 Lakhs of Government Rupees at 4 and 4½ per cent. -	70,000	
Total for one year - - -	7,17,300	
For 15½ years - - - - -		1,11,18,150
Grand Total for 15½ years - - -	H. S. Rs.	3,46,23,900

EXPENDITURE.

111. The gross expenditure, as estimated in the Budget for 1297 Fasli, amounts to H. S. Rupees 30,03,700, but these figures contain a provision of 2 lakhs of rupees for acquiring the old Indian shares, a disbursement which is no part of Railway expenditure proper, as it is in redemption of capital; deducting this amount therefore, we have a balance of Rs. 28,03,700, upon which the expenditure during the 15½ years is based as follows:—

For 15½ years at Rs. 28,03,700 per year - -	4,34,57,350
Deduct Saving in interest owing to acquisition of Indian Shares, say 10,000 per year for 15½ years - - - - - - - - -	1,55,000
Balance gross expenditure for 15½ years -	4,33,02,350
Deduct Receipts - - - -	3,46,23,900
Net expenditure during the 15½ years ending middle of Fasli 1313 H. S. Rupees - - -	86,78,450
or H. S. Rupees 5,59,900 per annum.	

Adding to this amount the expenditure of the past 4½ years ending the last day of Fasli 1297, viz.: Rs. 42,32,733, we get a total of H. S. Rupees 1,29,11,183, or in round thousands, Rs. 1,29,11,000, giving an average of 6,45,550 a year, against the first forecast of 1295 of H. S. Rs. 2,32,00,000, or 11,60,000 a year as the total liability of Government during 20 years, that is to say less than that forecast by Rs. 1,02,89,000, or Rs. 5,14,450 a year. I showed in my Memorandum on the Budget Estimate of 1295 Fasli, that the line from Secunderabad to Wadi, had the Government retained possession of it, would have entailed a liability of H. S. Rs. 1,20,00,000, during 20 years; deducting this amount from the total liability above shown, viz., Rs. 1,29,11,000, we have a further charge against Government of only Rs. 9,11,000 for the years of guarantee on account of the new scheme, or the insignificant sum of Rs. 45,550 per annum!

Assuming for a moment that only half of the estimated income from Coal Traffic will be realised, even then the total liability of Government would only be H. S. Rs. 47,58,875 in excess of what the old Railway would have entailed during 20 years; that is to say, the new scheme would cost the Government only about Rs. 2,37,944 per annum. At the close of the period of Guarantee, the Government would be liable only to a trifling charge of about H. S. Rs. 20,400 on account of the Police, instead of a perpetual burden of about 4 lakhs annually had the scheme fallen through, and at the same time have, in the Reserve Fund formed at my suggestion out of the sale proceeds of the old Railway, an interest-bearing Capital of H. S. Rs. 1,82,28,600, consisting of the following items:—

1. Shares - - -	£. 500,000	
2. Debentures - -	£. 172,100	
3. Guarantee Fund -	£. 200,000	
	£. 872,100 × 16 =	H. S. Rs. 1,39,53,600
4. Old ditto Government Rs. 15 Lakhs - - -		18,00,000
5. Deccan shares purchased with Railway Funds and really an investment of the Reserve Fund - - - - - - - -		24,75,000
TOTAL - - -		H. S. Rs. 1,82,28,600

112. All these incalculable advantages are the direct outcome of the sale, at a large profit of Rs. 87 lakhs, of the old Railway line, which was essentially a losing concern, and the relations of the Government to the Scheme as it exists on this date. But the new scheme has evoked an undertaking which would not, but for it, have probably come into existence. I refer to the Mining Scheme, in which Government hold shares of the value of $\frac{1}{8}$th of the Company's capital of one Million Pounds, the dividend from which should be accredited to the Railway, if not in account, at least in valuing the project as a reproductive work.

113. The most rigid economy compatible with efficiency has been exercised in the working of the Railway as will be seen from the subjoined table of percentages of profits on the gross earnings during the past 13 years.

Year.	Net Earnings.	Percentage of Net Earnings on Gross Earnings.	Percentage of Working Expenses on Gross Earnings.
1874 - - -	7,943	5·93	94·07
1875 - - - -	—79,137	—13·53	113·53
1876 - - - -	1,02,763	14·95	85·05
1877 - - - -	2,30,639	23·53	76·47
1878 - - - -	1,40,959	15·05	84·95
1879 - - - -	1,05,127	12·95	87·05
1880 - - - -	2,62,232	31·92	68·08
1881 - - - -	3,42,273	38·68	61·32
1882 - - - -	4,87,615	43·60	56·40
1883 - - - -	2,78,157	27·88	72·12
1884 - - - -	4,20,598	36·98	63·02
1885 - - -	5,74,528	43·74	56·26
1886 - - - -	8,87,646	50·29	49·71

114. It will be noticed that in the first year of working by the Company, viz., 1885, the percentage of net earnings on gross earnings rose from 36·98 in 1884 to 43·74 in 1885, and that in the succeeding year, there was a further increase in the profits amounting to 50·29.

115. If the averages of the years 1876 to 1884, and of 1885 and 1886 be compared, it reveals the fact that in two years the percentage of profit in gross earnings was raised from 27·28 to 47, or 19·72 per cent., a prodigious increase. The converse of this is of course true of the working Expenses; that is to say the expenditure decreased during the years 1885 and 1886, falling from 63·02 in 1884 to 56·26 in 1885, and to 49·71 in 1886, while the average percentage of these two years is 52·98 against 72·71 of the nine years preceding them, when the line was the property of Government, the difference being 19·73. With the view to keep Establishment Charges under control, so that increases to the salaries of officers and subordinates may be made on a definite understanding, I arranged with the Directors, during my recent visit to England, that graded lists of Establishment should be prepared, showing the annual, not half-yearly, increments proposed to be given for approved service. With such a list approved of by Government and sanctioned by the Board, the Agent will be able, with the sanction of Government, to accord increases to salaries under a specific arrangement which will prove an incentive to good and faithful service on the part of the employés, while the Board and the Government will be in a position to estimate at any time

what the maximum cost of Establishment will amount to. The Agent has this matter under consideration at present, and has appointed a Committee to draw up a gradation list on the same lines as that of other Railway Companies.

116. Copies of the half-yearly accounts furnished by the National Provincial Bank of England from the 1st half-year of 1884 (the commencement of the Railway scheme) to the first half-year of 1887 are given as Appendix M.

117. In closing these remarks, it becomes my pleasing duty to bear hearty testimony to the unremitting zeal and ability with which Mr. Furnivall has conducted the work entrusted to his care. He has carefully kept the Government *au courant* with all matters connected with the Railway, and has done nothing of importance on which he has not been good enough to confer with me; it will be admitted on all hands that the results of his labours reflect the highest credit on him, and that he has merited the cordial thanks of both His Highness' Government and the Railway Company. Messrs. Pendlebury, Dunlop, Molesworth and Berkley are also officers whose ability and assiduity in the discharge of their duties deserve to be specially mentioned.

Sirdar Diler Jung,
Secy. H. H. the Nizam's Govt.,
Home Dept. (Railways).

RAILWAY DEPARTMENT.

BUDGET ESTIMATE for Fasli 1297.

RECEIPTS.

PARTICULARS.	Estimate for Fasli 1297.	FASLI 1296. Actuals for 8 Months.	FASLI 1296. Estimate for 4 Months.	FASLI 1296. TOTAL.	Actuals for 1295.
	Hali Sicca Rupees.				
Coaching Traffic Goods Traffic Telegraph Traffic Sundries — Net earnings	7,84,100	6,29,504	3,03,739	9,33,333	7,19,645
Contributions towards Railway Police by Foreign Companies.		7,865		7,865	11,792
Ditto by the Nizam's Guaranteed State Railway Company, Limited.	—	—	—	—	—
Income due by calls on Indian Shareholders		315	185	500	2,254
Interest on Government shares, 500,000 *l.* at 5 per cent.	3,99,600	1,93,333	1,93,750	3,87,083	3,62,500
Interest on Debentures, 172,100 *l.* at 4 per cent.	1,10,000	74,735	41,260	1,15,995	1,10,128
Interest on *Rs.* 25½ lacs (200,000 *l.*) Guarantee Fund, at 4½ per cent.	4,10,000	—	—	—	—
Interest on Guarantee Fund of 15 lacs of British Government Rupees.	70,000	47,424	20,000	67,424	62,510
Interest on creditor balance in General Account	3,000	1,093	2,100	3,193	6,558
Ditto Special Account		6,327	5,395	11,722	3,450
Interest on temporary investment made by the Railway Company of surplus capital raised for construction.			89,356	89,356	—
	17,76,700	9,60,686	6,56,285	16,16,971	13,08,846
Add, — Balance in the National Provincial Bank	4,55,744			—13,520	3,20,700
GRAND TOTAL	22,32,444			16,03,451	16,29,546

CHARGES.

PARTICULARS.	Estimate for Fasli 1297.	FASLI 1296. Actuals for 8 Months.	FASLI 1296. Estimate for 4 Months.	FASLI 1296. TOTAL.	Actuals for 1295.
	Halli Sicca Rupees.				
Interest to Indian shareholders	2,20,000	1,35,500	1,09,500	2,45,000	2,48,164
Amount required for acquiring Indian shares	2,00,000	75,000	25,500	1,00,500	—
Interest to old English shareholders		34,800		34,800	66,600
Interest to shareholders in the new Railway Company	25,07,000	10,65,606	11,93,856	22,59,462	16,95,876
Miscellaneous payments by the National Provincial Bank.	8,000	10,402	253	10,655	1,064
Cost of Railway Police	20,400	23,808	6,478	30,286	44,678
Conservancy	24	240	8	248	576
Office of Railway Secretary	31,800	20,528	7,650	28,178	21,060
Ditto Officiating Allowances	1,000		350	350	—
Ditto on account of arrears of increment			510	510	—
Pensionary Charges	600	200		200	2,094
Contingencies: Stationery Telegrams Printing Charges Office Furniture Miscellaneous	15,000	400 2,642 1,260 132 547	600 1,358 1,740 500 433	1,000 4,000 3,000 632 1,000	775 2,711 756 1,496 46
House Rent	1,200	800	400	1,200	1,200
Batta	200		50	50	—
Extraordinary expenses	500	5,000	59,500	64,500	—
Travelling allowances	1,976		500	500	—
GRAND TOTAL	30,03,700	13,77,375	14,08,696	27,86,071	20,87,096

Office of Secretary Home Department (Railways),
Hyderabad, dated 188 .

Sirdar Diler Jung,
Secretary Home Department (Railways).

Appendix A.

National Provincial Bank of England
112, Bishopsgate-street, London, E.C.
9 June 1887.

Sir,

I HAVE the honour to acknowledge the receipt of 75,000 *l.* in cash to be placed to the credit of the General Account of the Government of His Highness the Nizam, and take due notice that we are to hold at the disposal of His Highness the Nizam's Guaranteed State Railways Company, the sum required for the payment of the dividend due, 30th June 1887, not exceeding 75,000 *l.* We will at once advise the Company accordingly.

Yours, &c.
J. Wells, Manager, City Office,
Alexandra Hotel,
Hyde Park Corner.

The Sirdar Diler Jung Ud-Dowlah,
Bahadur, C.I.E., Secunderabad.

Appendix B.

HOME SECRETARIAT RAILWAY BRANCH. Scale of Office Establishment for 1297 Fasli.

		Rs.	Rs.
	ENGLISH OFFICE.		
1.	Manager	450	
2.	Assistant Manager	200	
3.	Translator	200	
4.	Record-keeper	70	
5. 6.	Copyists	75	
			995
	ACCOUNTS BRANCH.		
1.	Head Accountant	400	
2.	Assistant Accountant	175	
			575
	PERSIAN DEPARTMENT.		
1.	Muntazim	250	
2.	Mahasib	100	
3.	Sigadar	50	
4.	Mahafiz Dafter	45	
5.	Munshi	35	
6.	Saaraff	10	
			490
	MENIALS.		
1.	Daftari	15	
2.	Jemadar	15	
3.	Peons 6 at 7 and 1 at 8	50	
4.	Farash	6	
5.	Sweeper	4	
			90
Add,—			
	Portion of Secretary's Salary chargeable to Railway	300	
	Portion of Under Secretary's Salary chargeable to Railway	200	
			500
	Total Cost per Mensem		2,650
	2650 × 12 =	31,800	
	Cost of Establishment as per particulars given on Memorandum on Budget Estimate for F. 1296	29,280	
	Difference, Increase in F. 1297		2,520

Appendix C.

HOME SECRETARIAT RAILWAY BRANCH. Particulars of Office Contingencies for 1297 Fasli.

	Rs.
Stationery	1,000
Telegrams	5,000
Printing Charges	3,000
Office Furniture	1,000
Miscellaneous	1,000
Total Rupees	11,000

Appendix D.

COPY of Resolution passed at a Meeting of the Board of Directors of His Highness the Nizam's Guaranteed State Railways Company, Limited, held on Tuesday the 5th July 1887, at 3 p.m.

* * * * *

212. The Sirdar Diler-ul-Mulk having returned to the Board Room, the question as to the price at which Debentures issued to the Government were to be taken, was considered.

Resolved,—That, as a compromise, the following terms be agreed to, the Sirdar on behalf of his Government concurring:—

1st. The sum of 39,000 *l.* sterling (say thirty-nine thousand pounds sterling) to be accepted by the Government of His Highness the Nizam in full of all claims; the back interest included, up to the 30th June 1887.

2nd. The Company to grant a promissory note for this sum running from 1st July 1887, to be redeemed by an issue of Company's Debentures at their market price, when a new issue is made, which new issue is not to be delayed beyond three years. Meanwhile the promissory note is to be treated as an anticipatory Debenture, bearing interest at 4 per cent. per annum to be provided by the Government, and repaid to the Government every half year as received by the Company.

(signed) *W. G. Hall*,
Secretary.

Stamp 10 *s.*

His Highness the Nizam's Guaranteed State Railways Company, Limited, hereby acknowledge that they are indebted to the Government of His Highness the Nizam in the principal sum of Thirty-nine thousand pounds (39,000 *l.*), which sum they promise to pay or satisfy within three years from the date hereof, by the issue to the said Government of such and so many debentures of the Company as taken at their market price at the date of issue, will represent the said sum of thirty-nine thousand pounds (39,000 *l.*). And the said Company further promise to pay to the Government in the meantime, by half-yearly payments, interest on the said principal sum at the rate of 4 per cent. per annum, such interest to be provided by the Government as part of the annuity mentioned in Clause 25 of the Agreement between the Government and the Company, dated twenty-seventh December, one thousand eight hundred and eighty-three, and dealt with accordingly.

Dated the 1st July 1887.

The Common Seal of the said Company was hereunto affixed in the presence of

(signed) *J. Stewart*, Director.
W. G. Hall, Secretary.

L. S.

Appendix (E.)

COPY of Resolution passed at a Meeting of the Board of Directors of His Highness the Nizam's Guaranteed State Railways Company, Limited, held on Monday, the 27th June 1887, at 2 p.m.

181. Laid on the table case submitted by the Company's solicitor to the Attorney General and Sir Horace Davey, regarding certain matter under reference with the Government Official Director, together with opinion on the same.

Resolved,—That a copy of the case, with the opinion of Counsel, be forwarded to Sirdar Diler-ul-Mulk Bahadur, C.I.E., for information, with a letter from the Chairman, of which the draft has been approved by the Board.

(signed) *W. G. Hall*,
Secretary.

Appendix (F.)

COPY of Resolution passed at a Meeting of the Board of Directors of His Highness the Nizam's Guaranteed State Railways Company, Limited, held on Tuesday, the 28th June 1887, at 3 p.m.

194. In continuation of Resolution, No. 181, passed by the Board yesterday, directing the transmission to the Sirdar Diler-ul-Mulk Bahadur, of the opinion of Counsel on the case referred to in Resolution, it is now

Resolved, as follows, on the general questions of control of Capital and Revenue Expenditure respectively :—

Capital Expenditure.—The Board recognising that the control of Capital Expenditure rests with the Government under the terms of the contract, understands the sanction given to the estimates by the Government to be a general sanction for the construction of certain works at a certain outlay. The Board, considers that the Agent should submit every half-year statement of proposed Capital Expenditure for the half-year, under such general sanction, in order that the Government may have the opportunity of revising such proposals with the object of making savings on estimates if possible.

Revenue Expenditure.—The Board fully recognising that under Article 31 of the contract, the Government has the power of audit for the correction of errors in the accounts of Revenue Expenditure as defined in the contract, are advised that there is no obligation upon them to obtain the sanction of Government before incurring such expenditure. It must therefore be understood that the Board, in submitting the estimates of Revenue Expenditure half-yearly to the Government, do so only in order that if any difference of opinion betwixt the Government and the Agent of the Company should arise as to the propriety of any item or items of expenditure, the views of the Government may be put before the Board before the expenditure is finally sanctioned.

(signed) *W. G. Hall*,
Secretary.

Appendix G.

COPY of Resolution passed at a Meeting of the Board of Directors of His Highness the Nizam's Guaranteed State Railways Company, Limited, held on Tuesday, the 5th July 1887, at 3 p.m.

211. The Sirdar Diler-ul-Mulk having withdrawn from the room, the Board further considered the claim of the Government of His Highness to control Revenue Expenditure.

The Board, whilst adhering to Resolution No. 194,

Resolved,—That the estimate of expenditure shall be prepared in the following manner, with the view of obviating and determining all possible differences of opinion between the Government and the Board in the practical working of the agreement between them, dated 27th December 1883.

1st. The half yearly estimates of both Capital and Revenue Expenditure shall be prepared by the Agent of the Company in India, in consultation with the Secretary to the Government of His Highness the Nizam in the Home Department, and the Agent shall, as far as possible,

possible, take advantage of the advice of the said officer of the Government, and the estimates so prepared shall be submitted to the Government.

2nd. In case the said officer of the Government shall, during the preparation of the estimates, or the Government shall, on submission of the estimates, object to any proposed item of expenditure, the Agent shall do his best to meet the views of the Government consistently with the interests of the Company, so as to avoid the necessity of referring disputed points to the Board.

3rd. If the Government and the Agent shall fail to arrive at an agreement regarding any item, the matter shall be referred to the Board by the Agent, with the views and arguments for and against the proposed expenditure, and the Board will inform the Government through the Agent of its opinion thereon.

4th. If the Government and the Board shall fail to agree as to any item of Revenue Expenditure, the Board, before deciding the question, will ask the advice of the Consulting Engineer for Railways of the Government of Bombay. Until the matter in dispute is so decided by the Board, the proposed expenditure shall not be incurred.

5th. Any expenses incurred under this Resolution shall be charged to Capital or Revenue according to the nature of the item.

6th. The same course shall be followed in the case of the Agent proposing any extraordinary expenditure not provided for in the half-yearly estimates.

(signed) *W. G. Hall*, Secretary.

Appendix H.

Alexandra Hotel, Hyde Park Corner,
15 July 1887.

Sir,

I BEG to acknowledge the receipt of your letter of the 13th July 1887, transmitting to me several Resolutions passed by your Board of Directors as regards the Government control of Capital and Revenue. Whilst thanking the Board for the manner in which they have endeavoured to meet the Government's convictions that they are fully entitled to the control of both Capital and Revenue, I cannot admit the Board's decision on these points, based on the opinion of the Attorney General obtained on the *ex parte* statement of the case, but must maintain the Government views of the contract, and its right thereunder.

I have, &c.

W. G. Hall, Esq. (signed) *Sirdar Diler Jung.*

Appendix I.

COPY of Resolutions passed at a Meeting of the Board of Directors of His Highness the Nizam's Guaranteed State Railways Company, Limited, held on Tuesday, the 5th July 1887, at 3 p.m.

Audit of Accounts in India.—Read Mr. Furnivall's letter No. 253, dated 30th April 1886, enclosing letters from the First Assistant Resident, dated 16th March, with office note of the Government of India. Read also Extract from Resolution of His Highness's Government, dated 5th February 1886, No. 84.

Resolved,—That the Board quite recognises that the principle contended for by the Government of His Highness is a sound and proper one, and that the provision of an auditor, in addition to a chief accountant, is highly desirable to admit of a complete and independent audit of the railway accounts, instead of a partial and mere check and test audit. The Board will await the nomination of an auditor by the Government to give effect to the above view.

(signed) *W. G. Hall*, Secretary.

Appendix J.

BURDETT'S OFFICIAL INTELLIGENCER, under the sanction of the Committee of the Stock Exchange, 1887, Commercial and Industrial.

	CAPITAL.					INCOME.			
	Authorised.			Called up.		Rate per Cent. per Annum. Date of Payment.		General Details, including Particulars of Capital, Stocks, Loans, Reserve Funds, Dividends, &c.	Directors and Chief Officials.
	Total Shares and Loans.	Shares or Bonds. Number.	Shares or Bonds. Amount.	Per Share or Price of Issue.	Total Shares and Loans and Present Amount.	1885. Second Half Year.	1886. First Half Year.		
	£.		£.		£.				
Hyderabad (Deccan) Company, Limited. Registered 29th July 1886. Office: 7, Great Winchester-street, E.C. V. 1 Vote for every share. T. Common form, 2*s.* 6*d.* per deed.	1,000,000	100,000	10	10 *l.* on 85,000 5 *l.* on 15,000	925,000	- -	- -	Hyderabad (Deccan) Company, Limited. This Company has acquired the concession granted on the 7th January 1886 by the Government of His Highness the Nizam (with the "consent and approbation" of the Government of India and of the Secretary of State for India) to Messrs. W. C. Watson and John Stewart, of the mining rights for 99 years throughout the territories of the State of Hyderabad. The 85,000 fully paid shares (Nos. 15,001 to 100,000) represents the price at which the concessionaires transferred the concession to the Company. The 15,000 shares with 5 *l.* paid (Nos. 1 to 15,000) were subscribed for by the concessionaires. All the 100,000 shares have an equal right to participate in the profits of the undertaking.	Directors, George H. M. Batten, John Stewart, H. Parkinson Sharpe, Wm. Clarence Watson, C. A. Winter. Director's qualification, 100 shares. Bankers, National Provincial Bank of England, Limited. Secretary, J. Martyn Milne.

Appendix K.

Your Excellency, The Residency, Hyderabad, 16 December 1884.

Mr. Cordery has informed me of your letter of yesterday's date, in which your Excellency was good enough to suggest that I should put in writing the chief points I desire to discuss relating to the mining concession.

With your Excellency's permission I will first say that Mr. Watson and Mr. Stewart trust that in settling the details of the concession the lines of their proposal, as modified by the letter of the Government of India of the 15th March 1883, and as accepted by the late Council of Regency, may be adhered to, as it was on the assurance of that acceptance that Mr. Watson undertook the formation of the railway company, and was induced to lower his original terms, so that there might be no delay or opposition to the railway scheme on the part of the India Office.

On Wednesday, the 10th instant, I had an interview with Sirdar Diler Jung, and went through the draft concession which had been prepared in England by the legal advisers of his Highness's Government, and I then found that the draft so prepared contained many points and provisions materially opposed to the terms of the accepted proposal.

The most important of these differences are the following:—

(1.) A proviso that of the capital of the proposed company 500,000 *l.* be subscribed for by a certain day and 100,000 *l.* be actually paid up.

The proposal deals with the formation of a company with a nominal capital of one million sterling, and which shall undertake to expend 100,000 *l.*

Supposing a company should be called upon to pay up 100,000 *l.* immediately on formation, it is clear that the money could not be at once employed, and would only be lying idle. I would submit that the first issue of shares be for 100,000 *l.*, of which a proportion, say 25,000 *l.*, be paid up at once, and the balance in calls at short notice as and when required.

(2.) The first part of the draft limits the concession to certain specified mines and fields.

The second part grants a general prospecting monopoly for a certain number of years on payment of one lakh of rupees per annum, from the date of exercising the prospecting right.

This is a most important difference. The whole tenour of the proposal points to a right to prospect as being part of the concession; no mention is made in any part of the proposal, or in the papers accepting it, of any payment for the prospecting right, and I would respectfully invite your Excellency's attention to this point.

(3.) The draft provides that leases will be granted to the intended company or its licensed nominees, but that Government shall not be bound to grant a lease to any one but the company.

Further, that the company shall not assign any lease without the permission of the Government.

The proposal asks that the concessionaires may be at liberty to associate themselves with others, and to transfer all or any rights, &c. to any person or company.

The reason of this is to enable the original company to associate itself with others, or to form other companies under it, for the purpose of developing the different branches of mining that will have to be adopted, and I would ask that this power be still given. To ensure Government against assignments being made to irresponsible persons, I would suggest that the sanction of Government be required, but that Government should agree not to withhold this sanction unless the proposed lessee or assignee be not considered sufficiently solvent, and that in case of difference of opinion on this head the question be decided by arbitration under the arbitration clause contained in the deed.

(4.) As to royalties payable, the draft leaves this to be settled in every case, and from time to time, by a mining board.

The proposal names certain fixed royalties, and it is obvious, with a scale of royalties at present unknown, and which may be from time to time altered, the concessionaires are dealing with an unknown quantity of such great importance that it is doubtful whether they could form any company that would undertake the mining on these terms, and I would respectfully submit that the scale mentioned in the proposal be adhered to.

(5.) The draft also provides that a clause shall be contained in every lease, that the lessees shall work in every year up to a minimum total royalty to be fixed by the mining board.

The proposal is silent as to this, and it is difficult to see how any such minimum can be fixed, at all events until some time after the working and development of any particular

ticular mine, and even then I would submit that the provision is not necessary, as any lessee will, in his own interest, work the mines to their fullest extent. It may, of course, happen that, owing to either unforeseen causes or bad markets, the lessees may not be able to sell more than a certain quantity, in which case it would be hard to insist on a royalty on more than was sold.

(6.) The draft also provides that the company shall provide mineral traffic to the railway to an extent of 45,000 *l.* per annum.

The proposal dealt with this as follows: to supply this amount of traffic, "provided the development and working of the mines produces sufficient for that purpose." And the Government of India, in their letter of the 15th March 1883 (before referred to), dealt with this clause of the proposal, and, whilst terming it vague, added, "The Governor General in Council is not inclined to recommend its rejection on this head;" and after showing the amount of coal traffic required to produce this amount, adds, "This will not readily be obtained." I would therefore ask that this clause may be drawn in the terms of the proposal.

There are, in addition to the above, several minor points of detail which I would ask permission to discuss when the deed is finally settled; but as they do not involve questions of the principle of the concession I will not trouble your Excellency with them here.

As I understand that your Excellency desires to see this letter, and to peruse the papers before according me an interview, I have determined to return to Bombay for the present. If, when your Excellency is ready to see me, you will be good enough to favour me with an appointment, I will come up at once and wait upon your Excellency.

Requesting your kind attention to this matter, which my friends are most anxious to see completed,

I have, &c.
(signed) *C. A. Winter.*

His Excellency Salar Jung,
&c. &c. &c.

My dear Sir, Hyderabad Deccan, 17 December 1884.

I HAVE carefully read your letter of the 16th instant and the draft you refer to. In reply, I beg to say that the draft has been prepared in England by a committee of legal advisers of his Highness the Nizam's Government and mining engineers, with the knowledge of Her Majesty's Secretary of State for India in Council, and contains necessary provisions to protect the interest of his Highness's Government. I therefore do not think that his Highness's Government would be justified in rejecting the document so carefully drawn up by experts, nor can I believe that the Resident and the Government of India would advise his Highness's Government to accept any vague agreement.

I need not add that his Highness's Government will be quite willing to conclude the draft agreement above referred to, if you are prepared to agree to it on behalf of the concessionaires.

Yours, &c.
(signed) *Salar Jung.*

C. A. Winter, Esq.

My dear Nawab, 8 January 1885.

I FORWARD a letter to your address from Mr. C. A. Winter, relative to the mining concession with Messrs. Watson and Stewart.

The draft agreement which he has signed is in the hands of the Government of his Highness. Sirdar Diler-ud-Dowlah, who has it, has been to me this morning and shown it to me. If you approve of the agreement in its present shape, or as Mr. Winter wishes it to be, will you kindly let the Resident see it before it is concluded. I send this by the hand of Sirdar Diler-ud-Dowlah.

Yours, &c.
(signed) *W. J. Cuningham.*

Your Excellency, The Residency, Hyderabad, 7 January 1885.

I HAVE the honour to inform you that after receipt of your Excellency's letter of the 17th ultimo I have considered most carefully the views therein expressed.

My position is a most difficult one; I am pressed by my principals to do my utmost to induce your Excellency to grant the concession on the lines of the accepted proposal, and I find myself without any alternative but to acquiesce in your Excellency's views, and to accept what your Excellency is pleased to grant.

In this position I have again gone through the draft, and, acting within what I take to be the limits defined by your Excellency, have suggested one or two slight alterations, subject to which I ask your Excellency to sanction the concession.

Two

Two points of considerable importance to the concessionaires, and in which the draft deed materially varies from the proposal; I would ask your Excellency's indulgence in requesting that your Excellency would again consider them. I refer to the 100,000 *l.* being paid up by the new company instead of "an undertaking to expend it," and the payment of a fee for prospecting. These points, I would submit, are of minor importance to the State, but they were never contemplated by the proposers, in their proposal for the concession, and the now insisting upon them will tend to render the business undertaken by them more difficult of accomplishment.

However, in accordance with the concluding paragraph of your Excellency's letter referred to, in which your Excellency states "that his Highness's Government will be quite ready to conclude the draft agreement above referred to if I am prepared to agree to it on behalf of the concessionaires," I have, on behalf of my principals, agreed to the draft and shall feel obliged if your Excellency would permit the matter now to be settled, so that the arrangements for getting the coalfields ready in time for the railway may be proceeded with forthwith.

I have, &c.
(signed) *C. A. Winter.*

His Excellency Salar Jung, Prime Minister,
Hyderabad.

My dear Mr. Cuningham, Hyderabad, 14 January 1885.

IN reply to your letter of the 8th instant, forwarding one from Mr. Winter regarding the mining scheme, I beg to state as follows for the information of the Resident:—

Messrs. Watson and Stewart submitted, on the 7th November 1882, a proposal (together with a schedule) to acquire a monopoly of mining rights in his Highness's territory. This mining proposal, as you are perhaps aware, was once linked with the railway scheme, but was subsequently disconnected, and the late Sir Salar Jung, after giving the matter his careful consideration, remarked as follows in his Memorandum dated 10th January 1883:—

> "Having thus stated my opinion on the several points involved in this matter, I think I should not, on my part, hesitate in sanctioning, on behalf of his Highness the Nizam's Government,
>
> * * * * *
>
> the concession to Messrs. John Stewart, Clarence Watson, and others, of all mines, fields, beds and deposits of coal, clay, iron, and all other minerals; the said Messrs. John Stewart, Clarence Watson, and others, in consideration of this concession in his Highness's territory, to raise a limited liability company in London, with a capital of one million sterling, who will expend at least 100,000 *l.* in the development of such mines; and, if the working of the mines proves sufficient for that purpose, will guarantee to provide the railway company with a minimum mineral traffic equivalent to 1 per cent. on the capital of the railway company."

The views of the Government of India, with reference to these schemes, were contained in their letter to the Resident, No. 654, I., dated 15th March 1883, and the following remarks were made with regard to the mining scheme:—

> "4. Connected with this proposal is another for the concession of certain mining rights throughout the Nizam's dominions to a distinct company, represented by Messrs. Watson and Stewart, of London, which would undertake to guarantee a fixed minimum mineral traffic for the new railway in consideration of certain facilities of conveyance."
>
> "6. Generally, therefore, I am to say that the schemes which are now under consideration are approved by the Government of India."
>
> "20. The terms of the sixth clause of the mining scheme" (that is, the guarantee to provide a minimum mineral traffic equivalent to 1 per cent. of the railway company's capital) "are very vague, but the Governor General in Council is not inclined to recommend its rejection on this account.
>
> "21. I am to invite your particular attention to the fact that the right to future discoveries to minerals for five years, which is mentioned in the first clause of the proposal, is omitted from both the schedule and in paragraph 46 of the late Sir Salar Jung's Memorandum. The indefinite character of the concession may lead to difficulties, but that is a matter mainly for the consideration of the Nizam's Goverment. Moreover, both the railway and mining proposals are defective in their arbitration clauses, seeing that they do not provide for the contingency of arbitrators differing as to the selection of an umpire."

The Government of India also considered that the provisions in respect of police arrangements and jurisdiction were not satisfactory, remarking,—

> "The only provision of this nature which is objectionable is Clause 13 of the mining schedule. This would admit the possibility of Europeans being tried by a

mixed court, and would thus contravene the terms of the engagement entered into by the Nizam's Government under the Sanad of the 10th July 1861. It is also open to the objections noted by you in the Memorandum accompanying your letter, No. 180, of the 27th February."

Owing to the death of the late Minister before the receipt of this letter, the duty of passing final orders devolved on the Council of Regency who, in an order dated 30th March 1883, endorsed the decision of the late Regent and authorised Sirdar Diler Jung to proceed to England and close with the offers made by Morton, Rose & Co. and Messrs. Watson and Stewart, and conferred on him full authority to sign all necessary documents, transact business of whatever nature connected with the projects, and to act on all instructions he had received from the late Minister. Sirdar Diler Jung was, at the same time, instructed to carry out the suggestions made by the Government of India, which were severally enumerated.

On arrival in England Sirdar Diler Jung reported himself to Her Majesty's Secretary of State for India, and solicited permission to open negotiations, which permission was accorded in letter dated 5th July 1883 (copy enclosed), in which it was stated that his Lordship in Council expected to be informed of any engagements into which Sirdar Diler Jung proposed to enter before their actual completion. A Special Committee, composed of India Office officials, was subsequently appointed to watch Sirdar Diler Jung's proceedings, and give him advice during the course of his negotiations. The mining scheme was proceeded with at the same time as the railway scheme; but before commencing negotiations, Sirdar Diler Jung considered it advisable to consult the legal advisers of his Highness's Government and certain mining experts. The advice of the Special Committee referred to was taken, when it was ascertained that the mining proposal and schedule were very vague, and would, unless materially modified, lead to grave complications. When this was reported by Sirdar Diler Jung, the Nizam's Government directed the preparation of a revised draft, and the Special Committee urged the desirability of its being drawn up by a committee of legal and mining experts. This was accordingly done, and as Messrs. Watson and Stewart, who discussed every point as the drafting (which occupied three months) proceeded, did not agree to the revised agreement, Sirdar Diler Jung considered it advisable, in view of the approaching installation of his Highness, to suggest the postponement of the definite conclusion of the contract, and proposed giving a general acceptance only, subject to the approval of details by his Highness's Government, and the signing of the definite contract at Hyderabad. The following telegrams passed between the Sirdar and the Senior Administrator on the subject:—

From Sirdar.—"Railway company floated, allotment entire share capital completed, money paid into bank. Have arranged mining scheme on basis of instructions, but to meet modifications suggested by Government of India and Jones, and restrict vagueness of contract, it has been redrawn by our lawyers. As his Highness shortly assumes government, I think it now advisable to give concessionaires general acceptance of their proposal, subject to approval details, and definitive contract being signed at Hyderabad. I propose returning by mail 1st February. Immediate instructions solicited."

From Senior Administrator.—"Leave England by the 1st February, and bring contract with you for execution in Hyderabad."

A copy of these telegrams was given by the Sirdar to Mr. Watson, Mr. Winter being present at the time.

As distinct sanction to the granting of a general acceptance was not given by his Highness's Government, the Sirdar considered that it was out of his power to give such an acceptance in writing; but he thought he might give a verbal promise. In this view the Special Committee at the India Office concurred, and Sirdar Diler Jung accordingly gave Messrs. Stewart and Watson a verbal assurance that he would do his utmost to bring about a satisfactory settlement of the mining scheme. The Resident is aware that the Sirdar strove most zealously to keep his promise. He represented to me that Mr. Watson had undertaken the railway business on exceedingly favourable terms, and reduced the commission originally stipulated for by Morton, Rose & Co. from 7½ to about 6 per cent. in the hope of being remunerated by the grant of the mining concessions, by which he forfeited 12,500 *l.* or about H. S. *Rs.* 1,87,500. Sirdar Diler Jung has also shown me Mr. Watson's accounts and original vouchers for the expenditure of the 100,000 *l.* granted to him by the directors for underwriting and incidental expenses incurred in floating the railway company, and proved to my satisfaction that the remuneration Mr. Watson had received was quite inadequate. The Sirdar further pointed out that the misrepresentations of the political opponents of the railway scheme, by affecting the value of the shares, had involved a heavy loss on Mr. Watson and the other underwriters. He also represented the very valuable services rendered by Mr. Watson in bringing about a satisfactory settlement of the railway scheme, by which his Highness's Government had largely benefited, besides helping the Sirdar to devise schemes for acquiring the interests of the old shareholders, and extinguishing the perpetual guarantee, and for forming a sinking fund for the redemption of the debenture capital of 2½ millions sterling. I have been considerably influenced by Sirdar Diler Jung's representations in granting the concession to Messrs. Watson and Stewart when more favourable terms might have been secured.

In

In making a representation regarding the differences between the proposal and the revised agreement, Mr. Winter stated that he had learnt from Mr. Cordery of my suggestion that he should put into writing the chief points he desired to discuss. From his letter, a copy of which I enclose, you will see that Mr. Winter asks, on behalf of Messrs. Watson and Stewart, that in settling the details of the concession "the lines of the proposal, as modified by the letter of the Government of India of the 15th March 1883, and as accepted by the Council of Regency, may be adhered to, as it was on the assurance of that acceptance that Mr. Watson undertook the formation of the railway company, and was induced to lower his original terms, so that there might be no opposition to the railway scheme on the part of the India Office."

The orders of the Council of Regency, no doubt, invested Sirdar Diler Jung with full power to conclude the mining agreement, and he would doubtless have done so had he considered it prudent; but, with the caution which has marked all his proceedings, he did not communicate the orders of the Council of Regency officially to Messrs. Watson and Stewart, nor did he give any general acceptance, or even assurance based on the original proposal. His Highness's Government could not, in its own interests, let the opinion of professional experts pass unheeded, and conclude such an important agreement on the terms of the original proposal in the face of repeated and authoritative assertions that it was vague and would lead to complications.

The differences pointed out by Mr. Winter in his letter referred to are the following:—

I. The original proposal dealt with the formation of a company with a nominal capital of one million sterling, and which would undertake to expend 100,000 *l.* The revised draft contained a proviso that 500,000 *l.* should be subscribed by a certain day and that the 100,000 *l.* to be expended should be actually paid up. Mr. Winter suggested that the first issue of shares should be for 100,000 *l.*, of which 25,000 *l.* should be paid at once, and the balance in calls as required, and represented that if the 100,000 *l.* which the company undertook to expend had to be paid up immediately on the formation of the company, the money would only lie idle for some time. I have consented to the amount to be subscribed being reduced from 500,000 *l.* to 250,000 *l.*, but I did not think it advisable to make any change in the proviso that the 100,000 *l.* should be paid up on the formation of the company, as I considered this necessary to secure the soundness of the undertaking. I cannot follow the argument that the money will lie idle, for it can readily be invested in 4½ per cent. rupee paper. Besides, the amount is not more than the caution-money already paid into the National Provincial Bank.

II. Mr. Winter represented that no fee should be demanded from the company for prospecting, because no mention is made in any part of the proposal, or papers accepting it, of such a claim. I find, however, from the written instructions given to Sirdar Diler Jung by the late Minister, at the time he decided to sanction the scheme, on the 10th January 1883, that the Sirdar was to stipulate for the payment by the mining syndicate of 25,000 *l.* annually for the exclusive right of prospecting. It appears from the report made at the time by Sirdar Diler Jung, that this intention was communicated to Mr. Watson immediately on the Sirdar's arrival at Dover. This prospecting fee was entered in all the drafts prepared in England; but at Mr. Watson's urgent request, and in consideration of his valuable services, the Sirdar subsequently exercised the discretionary powers conferred on him in the late Minister's instructions, and reduced the amount to a lakh of rupees.

III. The original proposal asks that the concessionaires be at liberty to associate themselves with others, and to transfer all or any rights, &c. to any person or company, whereas the revised draft provides for the grant of leases to the intended company or its licensed nominees; but the Government is not bound to grant any lease to anyone but the company, and, further, the company cannot assign any lease without the permission of the Government. Mr. Winter asked that the power of associating itself with others, and of forming other companies under it, should be given to the mining company, and that to insure Government against assignments being made to irresponsible persons, the sanction of Government should be obtained, but that such sanction should not be withheld unless the proposed lessee or assignee is not considered sufficiently solvent; any difference of opinion on this head to be decided by arbitration. I have agreed to an amendment to the effect that the sanction of Government shall not, as a rule, be withheld, but I have not consented to the action of Government being subjected to arbitration.

IV. A fixed scale of royalties was entered in the original proposal, whereas the revised draft leaves this to be settled from time to time by a mining board. Mr. Winter wished the scale given in the schedule accompanying the original proposal to stand; but the peculiar nature of the concession necessitates a provision for the fixing of proper rates, and no scale could therefore be fixed at present, as pointed out by the legal advisers of his Highness's Government, who observed:—

> "The clauses as to the royalties to be paid have been prepared on the principle "of ascertaining what the fair rent will be by a reference before granting each "particular lease. It was found exceedingly difficult, in the present uncertainty as "to the nature and extent of the several subjects of demise, to prepare clauses "which should give effect satisfactorily to the principle of percentage on net profits.

" Among the other objections to such a principle would be that the royalties could
" not be ascertained till sales have been completed, and the minerals and substances
" demised probably removed beyond the jurisdiction and inspection of the Nizam's
" Government."

A copy of the report by the legal adviser is enclosed.

The words "from time to time" have, at Mr. Winter's urgent request, been expunged, as they may be interpreted as meaning that rates once fixed by the mining board can be altered unreasonably.

V. The revised draft provides that the lessees should work in every year up to a minimum total royalty to be fixed by the mining board. Mr. Winter pointed out that the original proposal was silent as to this. He did not see how any minimum could be fixed, at all events until some time after the working and development of any mine, and submitted that the provision was unnecessary, as any lessee would, in his own interests, work the mines to their full extent. I thought, however, that some safeguard was necessary, and inserted a clause that a minimum royalty should be fixed two years after the commencement of active mining operations. This time ought to suffice for ascertaining the productive qualities of a mine.

VI. The revised draft required that the mining company should provide mineral traffic to the railway to the extent of 45,000 *l.* per annum. The proviso contained in the original proposal, that this traffic would be furnished "if the development of the mines proved sufficient for that purpose," has now been added to the approved draft, for the mining company could not supply more than the mines are able to produce.

After carefully considering Mr. Winter's letter, I wrote to him on the 17th December (copy enclosed), pointing out that I could not reject a document prepared by the legal advisers of his Highness's Government and mining engineers, and with the knowledge and approval of Her Majesty's Secretary of State for India in Council, the provisions contained in which were considered necessary for the protection of the interests of his Highness's Government, nor did I believe that the Resident and the Government of India would advise this Government to accept any such vague agreement as the original proposal was. I added that his Highness's Government was quite willing to conclude the revised agreement, if Mr. Winter agreed to it on the part of the concessionaires.

Mr. Winter, in his reply, which has been forwarded through you, states that he is pressed by his principals to do his utmost to induce me to grant the concession on the lines of the accepted proposal, and that he finds himself without any alternative but to acquiesce in my views and accept what I grant. It is hardly fair of Mr. Winter to put the matter thus. I have already shown that no formal acceptance of the original proposal was given. It would never have done for the Government to conclude such an agreement, nor would it pay any company to attempt to work on a proposal which would lead to complications. That this was the opinion of Mr. Jones, the late Resident, is evident from his letter to the Government of India, No. 180, dated 27th February 1883, where he states that he "much disliked the wideness of the concession," and "greatly disliked the vagueness of Clause 3 of the proposal," considering that "nothing but trouble can come of an arrangement" in which there is uncertainty.

The above facts prove that there are no grounds for Mr. Winter's assertion that he has no other alternative but to accede to my views, as every facility was given to the proposed concessionaires, from the very commencement, to discuss the revised draft in its minutest detail.

Mr. Winter now agrees to the revised draft on behalf of the principals, but asks me to reconsider two points; first, regarding the 100,000 *l.* being paid up by the company instead of an "undertaking to expend it," and second, the payment of a fee for prospecting.

Mr. Winter urges that these points are of minor importance to the State, but were never contemplated by the proposers, and that by insisting upon them the business undertaken will be rendered more difficult of accomplishment.

I have already, after very careful consideration, agreed to several important suggestions made by Mr. Winter, and it is not possible for his Highness's Government to accede to the further concessions again asked for.

As the Resident, the Government of India, and the Secretary of State have approved of the proposal to grant the mining concession to Messrs. Watson and Stewart, I have accepted the revised draft, as agreed to by Mr. Winter, on behalf of Messrs. Watson and Stewart, and which I now forward in original for the Resident's information. On receiving back the document and learning the views of the Resident, I shall lose no time in signing the contract.

Yours, &c.
(signed) *Salar Jung.*

Hyderabad Deccan, The Residency,
6 May 1885.

My dear Nawab,

THE Government of India have had under their consideration the draft agreement between his Highness's Government and Messrs. Watson and Company, for the concession of certain mining rights at Singareni and elsewhere in the Hyderabad territory, and I am now directed to communicate the following suggestions and remarks for your consideration:—

2. Although the provisions of the agreement appear to be generally suitable, yet the proposed concessions are so various and extensive that there seems to be some reason to fear lest the project of the greatest immediate importance may be obscured and delayed, if the agreement is accepted entirely in its present shape. This project is the development of the Singareni coalfields. The value of the coal there is beyond doubt; and, if the fields are efficiently and promptly worked, they will not only supply the railways of Southern India, but will provide a large profitable traffic for the new railway extension from Hyderabad, which may be expected to be nearly open and ready to take coal about two years hence. It therefore seems desirable to give prominence in the agreement to the working of the Singareni coalfields.

3. There are other points in the agreement to which some exception may be taken. The proposed prospecting fee of one lakh, for instance, appears to be far too heavy; and, whilst your Government is quite justified in demanding precautions to secure a genuine company, it must be remembered that, as yet, the resources of the country are limited in nature and accessibility, and that too severe conditions are likely to prevent any practical or commercial results.

4. These circumstances lead the Governor General in Council to think that the draft agreement may with advantage be modified in certain particulars, and I am therefore asked to forward two printed memoranda, one of which describes the alterations suggested, while the other explains the grounds on which they are recommended.

These are put so clearly that I have no need further to elucidate them. The advice of the British Government is tendered to you with the object of opening up the resources of his Highness's territory, and having this in view, it is most important that the development of the coalfield should march, *pari passu*, and in concert with the extension of the railway. Funds will be obtained on better terms for the latter project when the former undertaking is known to be immediately in the market. One cannot financially be a success, in the present depressed condition of the market, without the other.

And there is no doubt that subscribers who will be attracted by the concession will take debentures in the railway at the same time.

On this subject I may mention that I have ascertained from Messrs. Watson and Company's agent in India that, looking at the inter-dependence of these schemes on each other, he cannot undertake to promise that the company shall be floated by the 1st January 1886, as proposed by the Government of India, but that he is willing to substitute for that date the words, "at any date within six months after the capital for the construction of the line from Warrangal to Singareni is practically assured."

5. I have been asked to send an early answer to this reference, and would express my hope, therefore, that you will be able to take it into your early consideration.

Yours, &c.
(signed) *J. G. Cordery.*

MEMORANDUM A., showing Alterations proposed in the Draft Mining Agreement.

Clause 1.—The concessionaires will form a company, limited by shares, before the 1st January 1886, with a capital of not less than 1,000,000 *l.*, with the object of acquiring the rights of the concessionaires.

Clause 2.—Before the 1st January 1886 a first issue of shares to the amount of 100,000 *l.* shall have been taken up and 25,000 *l.* actually paid up, and on the company agreeing to the terms of the concession as now drafted, the concessionaires will be released and the caution money (100,000 *l.*) mentioned in the preamble will be returned to them. Money for prospecting, to the extent of 20,000 *l.*, may in the meantime be withdrawn for the purpose of prospecting, as contemplated by the later (17 and 18) clauses of the agreement. No leases will be given until the company has been formed and shares subscribed, &c., as stated in the earlier part of this clause.

Clause 3.—The first object of the company thus constituted will be to work the coalfield at Singareni. They will, when duly constituted, arrange, as specified in Clauses 4 to 12 below, for the occupation of the site and opening up the mine in such a manner that they will be in a position to supply (if so required) not less than 500 tons of good coal per week by the date of the opening of the railway communication to either Hyderabad or Bezwada, or by the 30th June 1888 at latest.

Clause 3 *(a)*.—As Clause 3 of draft with the omission of Singareni from the list of coal mines from which selection may be made. Singareni iron mines will be retained in the list.

Clauses 4 to 10.—No alterations proposed.

Clause 11.—The lessee shall pay royalty on the produce of the mines.

The rate for each mine and mineral, except as specified in Clause 11 *(a)* below, shall be fixed at time of making the first sales of the produce, and shall be payable on the quantities actually sold. The rate will be fixed by a Mining Board as contemplated in the original draft.

Clause 11 *(a)*.—In the case of the Singareni coalfield, the rate of royalty on quantities sold shall, if the sales be less than 100,000 British tons per annum, be fixed at 8 annas per ton; any excess over the above quantity may be charged with a higher rate of royalty, up to a limit of one rupee per ton.

Clause 12, i and ii.—No change proposed.
iii.—Omit.
iv to xxv.—No alteration proposed.

Clause 13.—When the railways before referred to are in operation, the Mining Company or their lessees shall sell to such railways coal sufficient for the *bonâ fide* requirements of their traffic at special rates that shall not be less than 30 per cent. below the rates of sale to the outside public, and the railway company will on their part engage to carry the produce of the mines that may be sold to foreign railways at 30 per cent. below the ordinary quotations for the same classes of traffic.

Clauses 14 to 16.—No alteration proposed.

Clause 17.—The concessionaires or their company shall have the exclusive right of prospecting for precious metals and stones, and mineral oils and substances within the Nizam's territory until the 31st December 1890, and may from time to time specify and select the mines and minerals which they propose to work, and to the leases then given the provisions of the earlier clauses of this agreement will apply. This right to prospect need not be exercised before the 1st June 1887, but may be availed of at any time before that date. From the date on which notice of an intention to prospect is given, the concessionaires or their company render themselves liable to a payment of 25,000 rupees per annum, and at time of giving notice will deposit a sum of 50,000 rupees, which will be forfeited if no active operations shall by the 31st December 1890 have resulted from their prospecting.

Clause 18.—No alteration proposed.

MEMORANDUM B, explaining the Reasons for Alterations proposed in the Draft Mining Agreement.

It is considered advisable to adhere to the general lines of the draft agreement, both to save time, and also because the paper has been well drawn up and the terms of the concession are generally accepted both by the Nizam's Government and by Messrs. Watson and Stewart. The modifications that are suggested in the annexed paper are considered necessary for the following reasons:—

(*a*) That there is no express stipulation for the opening out of the Singareni coal field, which is necessary for the economical work of the Hyderabad Railways and of the foreign lines that can be served from it.

(*b*) That some of the provisions are, owing to local circumstances, unworkable and unfair to the Concessionaires.

With reference to (*a*), it may be explained that the Singareni coal fields have been proved, and it has been ascertained that there are some square miles of good steam-coal at a moderate depth from the surface. The country from Singareni to Bezwada and Hyderabad has been carefully examined, with the result that no indications of coal have been found. On the early working of the coal fields at Singareni, therefore, depends a supply of native coal to supplant the expensive foreign fuels now used for working the railways of Southern India, and to supply the new lines that are now under construction in the Nizam's territory, with those already in operation, and the foreign lines with which they are connected. As the draft agreement made no provision for the immediate opening up of this valuable property, it has been considered advisable to alter the earlier clauses (1 to 4) of the agreement to provide for this omission.

The following explanations are given of the alterations:—

Clause 1.—The date of forming the company has been put forward from the 1st January 1889 to the 1st January 1886.

Clause

Clause 2.—The first issue of shares has been reduced from 250,000 *l.* to 100,000 *l.*, and the paid-up capital from 100,000 *l.* to 25,000 *l.* This has been done to meet the immediate requirements of the opening of the Singareni coalfields, which, judging from the circumstances of existing coal companies in Bengal, can be efficiently worked with a subscribed capital of the amount proposed in the altered clause.

The nominal capital is left as originally drafted in the Clause 1, as it is contemplated that further issues of shares will be made in the event of iron or steel works being started at Singareni, or the mineral wealth of the province being developed at other sites.

The same object might have been equally well attained by the construction of separate companies, one to work the Singareni coalfields with a moderate capital, and another, or others, to undertake the other operations; but the proposals now made were preferred as being more in accordance with the spirit of the draft agreement.

The amount that can be withdrawn for prospecting has been lessened from 75,000 *l.* to 20,000 *l.*, as it is not probable that a large sum can be spent for such a purpose before the date now proposed for the constitution of a company.

Clause 3.—This new clause has been inserted in this place to ensure the early opening of the Singareni coal mine, and in this position, because it naturally precedes a reference to other mines. The stipulation in the latter part of the clause is workable and fair.

Clause 3 (*a*).—Is the same as the Draft Clause 3, omitting only the Singareni coalfield.

Clause 11.—This clause, as drafted and read in connection with Clause 12 (iii), contemplated that a rate of royalty should be fixed for each mine separately by experts, and that at the end of two years' active operations a minimum sum should be fixed to be paid, whether earned or not. This is wrong in principle, and would assuredly defeat its object in practice. The royalty should be considered as the part of the share of the profits of working that can be fairly claimed by the State, and as it can only be fairly claimed when the produce has been sold, the exaction of a minimum yearly payment would, if the working company were unable from any cause to sell their produce, hasten their ruin. The amended clause postpones the fixing of the royalty rate until the time when the experts will be in a position to judge of the circumstances of the mine, and specifies that the fee shall be levied on the quantities actually sold. As the company's books are always open to inspection, and the produce will in every case be removed by rail, there can be no difficulty in ascertaining and testing the sale returns.

Clause 11 (*a*).—Suggests rates of royalty for Singareni coal. The rates are not excessive, and are based on a consideration of the probable cost of working. The cost of plant, supervision, &c., will not be increased by an additional output, and it appears fair that the State should share in the increased prosperity of the Company.

Clause 12 (iii).—For reasons stated in connection with Clause 11. it is proposed to omit this provision.

Clause 13.—The idea of this clause as drafted was that the Mining Company should engage to provide traffic for the railway sufficient to pay 1 per cent. on the capital invested in the railway. The Mining Company was to undertake to develop certain mines, and connect them with the railway by an unknown date, and to supply a stated amount of traffic, whether their goods were in request or not. Such an undertaking could never have worked for all time, and was essentially impracticable. The altered clause will fulfil the requirements in a more practical manner.

Clause 17.—By this clause the concessionaires or their company engage to pay for the exclusive right of prospecting for precious stones and minerals up to the end of the year 1890. This is the speculative part of the whole agreement. The Nizam's Minister (the late Sir Salar Jung) evidently thought the concession a very valuable one, and that 2½ lakhs of Rupees per annum was the least figure to be placed on it. Messrs. Watson and Stewart, on the other hand, appear to have expected that they would have to pay nothing beyond the actual cost of prospecting which, judging from the figure given in Clause 2 of the draft agreement, would be a sufficiently heavy expenditure. The sum entered in the draft Clause 17, Rs. 1,00,000 per annum, is said to be a special favour to Messrs. Watson and Stewart. The clause necessitated the payment of a minimum sum of Rs. 3½ lakhs which, in addition to the cost of prospecting and proving the mines when found, would be a burden on the capital of the company which might seriously affect its commercial success. It was stated that the yearly fee would cover any royalty that might become payable from this set of mines during the time allowed for prospecting. It would appear preferable to divide the charges, naming a definite sum per annum to be paid for prospecting, and leaving the royalty to be settled under the clauses which provide for it. The last section of Clause 17 as now proposed should be a sufficient safeguard against perfunctory prospecting.

My dear Mr. Cordery, Dated Hyderabad, 10 August 1885.

I BEG to acknowledge the receipt of your letter of the 6th May, and to convey the thanks of his Highness's Government for the great interest taken by the Government of India in the scheme for the development of the resources of his Highness's territories.

His Highness's Government have given their careful consideration to the several propositions made by the Government of India, and I now beg to record the result of their deliberations. It is proposed to modify the original draft in a few important particulars, the concession being more favourable to the company than was contemplated in the draft which had been agreed to by Mr. Winter, the constituted attorney of the concessionaires in India; but as the object of the Government of India is to bring about the floating of a practical scheme, his Highness's Government have assented, as far as possible, to the suggestions contained in the printed Memorandum A accompanying your letter under reply, showing alterations proposed in the Draft Mining Agreement.

Clause 1.—As the Company cannot well be floated by the 1st January 1886, Mr. Winter's proposal to substitute for that date the words "at any date within six months after the capital for the construction of the line from Warangal to Singareni is practically assured" may be inserted.

Clause 2.—The Government of India suggest that the first issue of shares be reduced from 250,000 *l.* to 100,000 *l.*, and the paid-up capital from 100,000 *l.* to 25,000 *l.*, because they consider that the Singareni coalfields can be efficiently worked with a subscribed capital of the reduced amount. But the Singareni coalfields are not the only mines to be developed, for the company will have a monopoly of all mines in his Highness's territories, including gold and precious stones, which can be worked at once. It seems desirable, therefore, that the soundness of the company should be fully secured, for when the project passes out of the hands of the concessionaires, the company that will be formed may not (as past experience proves has sometimes been the case) be able to raise further capital when required, and the inevitable result will be the locking up of the mineral resources of his Highness's territories. A safeguard is therefore absolutely necessary, and, so far as his Highness's Government can judge, the only way to avert such a termination is to secure the issue of a sufficient number of shares in the first instance. His Highness's Government would not, therefore, feel justified in reducing the first issue of shares to less than 150,000 *l.*, or the paid-up capital which, as stated in my letter of the 14th January to Mr. Cuningham, was necessary to secure the soundness of the undertaking, to less than 75,000 *l.* His Highness's Government quite agrees with the Government of India that the withdrawal of 75,000 *l.* from the deposit for prospecting is hardly necessary; but it would, perhaps, be well to let this amount stand at 50,000 *l.*, so as to give the concessionaires every opportunity of thoroughly prospecting during the period allowed.

Clause 3.—The thanks of his Highness's Government are due to the Government of India for their forethought in providing that the working of the Singareni Coalfields shall not be delayed, and they therefore most willingly accept proposed Clause 3, and the consequent alteration in Clause 3 (*a*), viz., the omission of "Singareni coalfield."

Clause 11.—The object of fixing a minimum sum to be paid as royalty at the end of two years' active mining operations was to secure the constant working of the mines. If royalty is payable only on the quantities of minerals sold, what is to prevent the company either stopping work altogether for want of funds, or storing their coal or iron and refusing to sell when the market for those commodities is low. In either case the clause would operate to the disadvantage of his Highness's Government, who would therefore prefer Clause 11 as it stands, in which case the omission of Clause 12 (iii) will not be necessary.

This Government is most anxious to do nothing that will ruin the Mining Company, and lest the clause should operate hardly on the company, I am to suggest the insertion of a proviso to the effect that the company may, if threatened with loss by the co n n dities being unsaleable, be at liberty, by giving a year's notice, to transfer to the Government such mines as they are unable to work profitably.

Clause 11 (*a*).—His Highness's Government agrees to the rates suggested for Singareni coal; but the royalty should be levied as laid down in Clause 11, and not on quantities sold.

Clause 13.—As stated by the Government of India, the altered clause, whereby the company engage to supply the railway company with "coal sufficient for the *bonâ fide* requirements of their traffic," will fulfil requirements in a more practical manner, and the mutual concession to be made by the railway and mining companies will, I feel sure, be cheerfully agreed to by both.

Clause 17.—His Highness's Government quite concur in the desirability of altering this clause as suggested, and as the Government of India consider a prospecting fee of one lakh of rupees a severe condition, this Government is willing to still further reduce it from 1,00,000 rupees to 50,000 rupees. His Highness's Government would not be justified in making any

any further reduction in this item, because it was the intention of the late Minister to demand a fee of 25,000 *l.*, or about 3,00,000 Government rupees. The fee cannot be regarded as excessive, as the concession is without doubt a very valuable one, taking in, as it will, the diamond and gold mines in existence, and I feel convinced that his Highness's Government could readily, owing to the known existence in his Highness's territory of coal, iron, gold, and diamonds, secure far better terms than those offered by Messrs. Watson and Stewart, which, as stated in my letter to Mr. Cuningham, dated 14th January, were accepted in consideration of the very valuable services rendered by Mr. Watson.

Yours, &c.
(signed) *Salar Jung.*

No. 398.

My dear Nawab, The Residency (Hyderabad), 22 September 1885.

BEFORE leaving for Simla Mr. Cordery received a telegram from the Government of India intimating their acceptance of the modifications recommended by him in the draft agreement between his Highness the Nizam's Government and Messrs. Watson and Stewart, relative to mining rights in the Hyderabad State. The telegram states that a letter on the subject follows. The modifications, which the Resident supported, were almost identical with those contained in your letter to him of the 10th August. I would therefore suggest to you that, in order to save time, you should have a fresh draft of the agreement prepared on paper. It would not be necessary to re-copy the whole draft, but only such parts of it as are affected by the proposals now under discussion. By the time this is ready I shall have received the letter of the Government of India, and if you would permit Sirdar Diler-ud-Dowla to call upon me with the revised draft, I would go over it with him clause by clause to ensure its correctness. It would then be engrossed on parchment, signed by you on behalf of his Highness's Government, and forwarded to England for execution by Messrs. Watson and Stewart. Kindly inform me if you agree to this course being followed. I enclose the draft agreement forwarded with your letter of the 14th January to Mr. Cuningham.

Yours, &c.
(signed) *J. R. Fitz Gerald.*

My dear Mr. Cordery, 26 December 1886.

I AM in receipt of your letter of the 7th instant, in which you intimate the formation of the Mining Company, the appointment of Mr. Furnivall as agent, and the deputation of two experts to prospect the country, one of whom has already arrived, and ask that the necessary "permits" may be granted to the two latter officers of the Company. In reply, I am glad to inform you, that Mr. Lowinsky has been furnished with a permit, and that the other expert will also be put in possession of one, immediately on his arrival.

With the view to save time, as Mr. Furnivall was immediately proceeding to Bezwada, the power of attorney constituting him agent of the Mining Company, has been made over to him on the understanding that he will arrange for having the document registered in the Bank of Bengal, &c.

Yours, &c.
(signed) *Salar Jung.*

My dear Nawab, The Residency, Hyderabad, 12 January 1887.

I AM desired by the Resident to acknowledge with thanks the receipt of your letter of the 26th December 1886, intimating the grant of a permit to Mr. Lowinsky, who has been deputed by the Hyderabad (Deccan) Company to prospect the country for mining purposes, and stating that the power of attorney constituting Mr. W. C. Furnivall the agent of the above Company has, to save time, been returned to him direct.

To meet the wishes of the Government of India who desire to be kept informed of the progress of the operations, Mr. Cordery has arranged with Mr. Furnivall that all correspondence upon this subject should, unless his Highness's Government see any objections, pass through the Resident's office.

I am to add that, at the instance of the Secretary of State, the Company has agreed to surrender to the Nizam's Government any land in the Hyderabad State taken up for mining purposes on which active mining operations are not commenced by the end of 1896.

Yours, &c.
(signed) *A. Martindale.*

Appendix L. 1.

Alexandra Hotel, Hyde Park-corner, London,
Sir, 2 June 1887.

I AM instructed by the Government of his Highness the Nizam to purchase 10,000 10 *l.* shares of the Hyderabad (Deccan) Company, Limited. As you are the Agent of the Government here, I write to ask you to be so good as to arrange for the purchase of these shares at the lowest possible price, not exceeding 12 *l.* per share, the Government having decided to invest only 120,000 *l.* in these shares.

I am, &c.
(signed) Sirdar *Diler-ul-Mulk.*

W. C. Watson, Esq.,
7, Great Winchester-street, E.C.

Appendix L. 2.

(Confidential.)

7, Great Winchester-street, London, E.C.,
Sir, 3 June 1887.

I BEG to acknowledge receipt of your letter of yesterday's date, instructing me, as Agent of the Government of his Highness the Nizam, to purchase 10,000 10 *l.* fully-paid shares of the Hyderabad (Deccan) Company, Limited.

I beg to point out to you that to purchase these shares at the price you name is a most difficult and almost impossible operation, and will require the greatest skill and circumspection. I would suggest that the Government should acquire a portion of the 5 *l.* paid shares at the same *pro ratâ* price, say 7 *l.* per share, as the 5 *l.* paid shares carry the same dividend as the 10 *l.* paid, and by this the Government could acquire, say 8,750 10 *l.* paid shares and 3,750 5 *l.* paid shares, thus having 12,500 shares for 131,250 *l.*, being an addition of 2,500 shares at an extra cost of 11,250 *l.* only. Please be kind enough to send me your instructions on this point.

I have, &c.
(signed) *W. C. Watson.*

Sirdar Diler-ul-Mulk, Bahadur, C.I.E.,
Secretary to Government, Home Department,
Alexandra Hotel.

Appendix L. 3.

Alexandra Hotel, London,
Sir, 3 June 1887.

I AM in receipt of your letter of to-day's date; and, in reply, beg to state that your suggestion appears to be a good one. The Government only intended to invest 120,000 *l.* and purchase 10,000 shares, but as the Government will obtain 12,500 shares, and only have at present to pay 11,250 *l.* in addition to the 120,000 *l.*, and have the contingent liability of 18,750 *l.*, under these circumstances I authorise you to purchase 8,750 10 *l.* fully-paid and 3,750 5 *l.* paid shares.

Should the Government not wish to hold shares in excess of the 120,000 *l.*, I understand from you that there will not be any difficulty in re-selling the additional shares at a profit.

I am, &c.
(signed) Sirdar *Diler-ul-Mulk.*

W. C. Watson, Esq.,
7, Great Winchester-street, E.C.

Appendix L. 4.

(Telegram.)

Alexandra Hotel, London, 3 June 1887.

DECCANS firmly held by public, therefore with greatest difficulty succeeded purchasing 8,750 fully-paid shares at twelve; 3,750 half-paid *pro ratâ* at seven; thus by chance securing 2,500 shares more at cost 11,250, and contingent liability 18,750 pounds in excess sanctioned amount 120,000. Market closes twelve three-quarters, Government shares now worth 9,000 more than paid.

Sirdar *Diler-ul-Mulk.*

Colonel C. H. Marshall,
Private Secretary, his Highness the Nizam.

In reply to the above telegram, sent on the 6th June 1887, the arrangements made were said to be "most satisfactory."

Appendix L. 5.

Sir, Alexandra Hotel, London, 6 June 1887.

In pursuance of the instructions received by me from the Government of his Highness the Nizam, I have the honour to request you to hold at the disposal of Mr. W. C. Watson, of 7, Great Winchester-street, the Agent of the Government, the sum of 132,881 *l.*, to enable him to complete the purchase on Government account of 8,750 fully paid-up shares in the Hyderabad (Deccan) Company at 12 *l.* per share, and 3,750 shares in the same company 5 *l.*, paid, at the rate of 7 *l.* per share.

	£.	*s.*	*d.*
In the above amount is included Government stamp duty	656	5	–
Company's fees - - - - - - - - - -	1	5	–
Brokerage (being at the rate of 9*d.* per share) - -	312	10	–
and commission at half per cent. to Mr. Watson - -	661	–	–
Total - - -	£. 1,631	–	–

You have in General Account of the Government 18,711 *l.* 11 *s.*, and in the Special Account 81,117 *l.* 4 *s.* 8 *d.*, making a total of 99,828 *l.* 15 *s.* 8 *d.*; the balance required being 33,052 *l.* 4 *s.* 4 *d.*, which, as arranged, you will advance as a temporary loan to Government against the securities held by you.

I am, &c.
(signed) Sirdar *Diler-ul-Mulk.*

To the National Provincial Bank of England, London.

Appendix L. 6.

National Provincial Bank of England (Limited).

(No. 1248.) 15 June 1887.

The undermentioned securities have been deposited here for safe custody by the Government of his Highness the Nizam.

Number.	Particulars.	Amount.
875 share warrants -	The Hyderabad (Deccan) Company, Limited, 10 *l.* shares fully paid.	8,750 shares.
One certificate - -	The Hyderabad (Deccan) Company, Limited, 10 *l.* shares 5 *l.* paid.	3,750 ,,

J. Wells, Manager.
T. L. Whitwell, pro Accountant.

Appendix L. 7.

(With 12 Enclosures.)

7, Great Winchester-street, London, E.C.,
Sir, 17 June 1887.

I beg to send you herewith the detailed account, with contracts attached, of the authorised purchase, for account of the Government of his Highness the Nizam, of 8,750 10 *l.* fully-paid and 3,750 5 *l.* paid shares of the Hyderabad (Deccan) Company, Limited. The total cost of these shares, as indicated in the account, is 132,881 *l.* which sum I have received from the National Provincial Bank of England, Limited, and I have deposited the share warrants and certificate at the above-mentioned bank, with instructions to them to hold the same in safe custody for account of the Government of his Highness the Nizam. I enclose a copy of the letter received from the bank in acknowledgment of the above-mentioned instructions and securities.

I am, &c.
(signed) *W. C. Watson.*

Sirdar Diler-ul-Mulk, Bahadur, C.I.E.,
Secretary to the Government of his Highness the Nizam,
Home Department, Alexandra Hotel.

Enclosure, No. 1.

National Provincial Bank of England, Limited,
112, Bishopsgate-street, London, E.C.,
15 June 1887.

Dear Sir,

We are in receipt of your letter of this date, and have to acknowledge the lodgment of 8,750 10 *l.* fully-paid shares of the Hyderabad (Deccan) Company, Limited, and a certificate for 3,750 10 *l.* 5 *l.* paid of the same company, which we hold for safe custody on account of the Government of his Highness the Nizam, and, as requested, have handed the official receipt to the Sirdar at the Alexandra Hotel, Hyde Park-corner.

I am, &c.
(signed) *J. Wells,*
Manager, City Office.

W. C. Watson, Esq.,
Agent of the Government of his Highness the Nizam,
7, Great Winchester-street, E.C.

Enclosure, No. 2.

An Account of the Purchase of 8,750 10 *l.* fully-paid and 3,750 10 *l.* 5 *l.* paid Shares of the Hyderabad (Deccan) Company, Limited, bought by order of the Sirdar Diler-ul-Mulk, Bahadur, C.I.E., Secretary to the Government of his Highness the Nizam, Home Department, for Account of the Government of his Highness the Nizam.

1887:		£. s. d.	£. s. d.
3 January	To cost of 1,000 10 *l.* fully-paid shares bought through Cozenove and Akroyds at 12 *l.* per share	12,000 – –	
	Stamps and fees	60 2 6	
	Brokerage	25 – –	
			12,085 2 6
3 „	To cost of 1,750 10 *l.* fully-paid shares bought through Ellis & Co. at 10 *l.* per share	21,000 – –	
	Stamps and fees	105 2 6	
	Brokerage	43 15 –	
			21,148 17 6
3 „	To cost of 1,000 10 *l.* fully-paid shares bought through Borthwick, Wark & Co. at 12 *l.* per share	12,000 – –	
	Stamps and fees	60 2 6	
	Brokerage	25 – –	
			12,085 2 6
3 „	To cost of 1,000 10 *l.* fully-paid shares bought through A. Anderson & Co. at 12 *l.* per share	12,000 – –	
	Stamps and fees	60 2 6	
	Brokerage	25 – –	
			12,085 2 6
3 „	To cost of 1,000 10 *l.* fully-paid shares bought through Hollebone, Bros. and Trench at 12 *l.* per share	12,000 – –	
	Stamps and fees	60 2 6	
	Brokerage	25 – –	
			12,085 2 6
3 „	To cost of 1,000 10 *l.* fully-paid shares bought through T. N. Oakley at 12 *l.* per share	12,000 – –	
	Stamps and fees	60 2 6	
	Brokerage	25 – –	
			12,085 2 6
3 „	To cost of 1,750 10 *l.* 5 *l.* paid shares bought through T. N. Oakley at 7 *l.* per share	12,250 – –	
	Stamps and fees	61 7 6	
	Brokerage	43 15 –	
			12,355 2 6
	Carried forward £.		93,929 12 6

		£.	s.	d.	£.	s.	d.
1887:	Brought forward - - -	-	-	-	93,929	12	6
3 January -	To cost of 1,000 10 *l.* fully-paid shares bought through Stewart, Tiley & Co. at 12 *l.* per share - - -	12,000	–	–			
	Stamp and fees - - - - -	60	2	6			
	Brokerage - - - - - -	25	–	–			
					12,085	2	6
3 „	To cost of 2,000 10 *l.* 5 *l.* paid shares bought through Stewart, Tiley & Co. at 7 *l.* per share - - - -	14,000	–	–			
	Stamp and fees - - - - -	70	2	6			
	Brokerage - - - - - -	50	–	–			
					14,120	2	6
3 „	To cost of 1,000 10 *l.* fully-paid shares bought through Coates, Son & Co. at 12 *l.* per share - - - - -	12,000	–	–			
	Stamp and fees - - - - -	60	2	6			
	Brokerage - - - - - -	25	–	–			
					12,085	2	6
					132,220	–	–
	To commission, ½ per cent. - - - - - -				661	–	–
				£.	132,881	–	–

London, 17 June 1887. (signed) *W. C. Watson.*

RECAPITULATION.

	£.	s.	d.
8,750 fully-paid shares at 12 *l.* per share - - -	105,000	–	–
3,750 10 *l.* 5*l.* paid shares - - - - -	26,250	–	–
Stamps - - - - - - - - -	656	5	–
Fees - - - - - - - - -	1	5	–
Brokerage - - - - - - - -	312	10	–
	132,220	–	–
Commission, ½ per cent. - - - - -	661	–	–
£.	132,881	–	–

Enclosure, No. 3.

52, Threadneedle-street, London,
3 June 1887.

	£.	s.	d.
BOUGHT for account of the Government of his Highness the Nizam of Hyderabad, 1,000 Hyderabad (Deccan) Company shares, of Morris and Puckle at 12 - - - - - -	12,000	–	–
Commission, 6 *d.* - - - - - - - - - -	25	–	–
£.	12,025	–	–

For 6th instant. (signed) *Cozenove and Akroyds.*

(Subject to the rules and regulations of the London Stock Exchange.)

Enclosure, No. 4.

2nd Royal Exchange-buildings, London,
3 June 1887.

	£.	s.	d.
BOUGHT for the Government of his Highness the Nizam of Hyderabad, subject to the rules and regulations of the Stock Exchange, 1,750 shares in the Hyderabad (Deccan) Company at 12 per share	21,000	–	–
Stamp	—		
Registration fee	—		
Commission	43	15	–
£.	21,043	15	–

Of Morris and Puckle, for 6th instant. (signed) *Ellis & Co.*

Enclosure, No. 5.

Borthwick, Wark & Co., London,
3 June 1887.

	£.	s.	d.
WE beg to advise having bought on your account, subject to the rules of the Stock Exchange, for settlement 6th June, 1,000 Hyderabad (Deccan) shares to bearer at 12 per share	12,000	–	–
Commission, 6 *d.*	25	–	–
£.	12,025	–	–

(signed) *Borthwick, Wark & Co.*

To the Government of his Highness the Nizam.

Enclosure, No. 6.

30, Throgmorton-street, London,
3 June 1887.

	£.	s.	d.
BOUGHT, subject to the rules and regulations of the London Stock Exchange, for account of the Government of his Highness the Nizam of Hyderabad, 1,000 Hyderabad (Deccan) Company shares at 12 (fully-paid)	12,000	–	–
Commission	25	–	–
£.	12,025	–	–

For 6th June. (signed) *A. Anderson & Co.*

Enclosure, No. 7.

18, Birchin-lane, Lombard-street, London,
3 June 1887.

Dear Sir,

WE beg to advise you that, in accordance with your instructions, we have this day bought, subject to the rules and regulations of the London Stock Exchange, for Monday 6th instant, 1,000 Hyderabad (Deccan) shares.

	£.	s.	d.
(10 *l.* each fully-paid) at 12	12,000	–	–
Brokerage, 6 *d.* per share	25	–	–
£.	12,025	–	–

Yours, &c.
(signed) *Hollebone Bros. and French.*

To the Government of his Highness the Nizam of Hyderabad.

All

All cheques should be made payable to the order of the firm, and crossed "London and County." Cheques payable in London will be in order on date of settlement (6th instant). Cheques not payable in London should be received three clear days before the date of settlement, so as to allow time for collection.

Enclosure, No. 8.

2nd Capthall-buildings, London, E.C.,
3 June 1887.

BOUGHT by order and for account of the Government of his Highness the Nizam of Hyderabad.

	£.	s.	d.
1,000 Hyderabad (Deccan) at 12 - - - -	12,000	–	–
1,750 „ „ 5 *l.* paid, 2nd June - -	12,250	–	–
Stamp and fee - - - - - - - -	61	10	–
Commission - - - - - - - -	68	15	–
	24,380	5	–
Fee not paid -	–	2	6
£.	24,380	2	6

For the 10th June, subject to the rules of the London Stock Exchange.

(signed) *Thomas Oakley,*
Sworn broker.

Enclosure, No. 9.

Stewart, Tiley, and Whitmore,
4, Adams-court, Old Broad-street.

BOUGHT by order and for account of the Government of his Highness the Nizam of Hyderabad, of Morris and Puckle, subject to the rules, regulations, and usages of the London Stock Exchange.

	£.
1,000 Hyderabad (Deccan) Co., seven shares at 12 - -	12,000
Commission - - - - - - - - -	25
£.	12,025

For the 6th June.

(signed) *Stewart, Tiley, and Whitmore.*

Enclosure, No. 10.

Stewart, Tiley, and Whitmore,
4, Adams-court, Old Broad-street,
London, 3 June 1887.

BOUGHT by order and for account of the Government of his Highness the Nizam of Hyderabad, of Morris and Puckle, subject to the rules, regulations, and usages of the London Stock Exchange.

	£.	s.	d.
2,000 Hyderabad (Deccan) Co. shares.			
5 *l.* paid - - - - - - - - -	14,000	–	–
Stamp and fee - - - - - - - -	70	5	–
Commission - - - - - - - -	50	–	–
	14,120	5	–
Fee not paid - -	–	2	6
£.	14,120	2	6

For the 6th June.

(signed) *Stewart, Tiley, and Whitmore.*

Enclosure, No. 11.

99, Gresham-street, London,
3 June 1887.

BOUGHT for the Government of his Highness the Nizam of Hyderabad (subject to the rules of the London Stock Exchange), of Morris, Hurst, and Puckle.

	£.
1,000 Hyderabad (Deccan) shares at - - - - -	12,000
Commission, 6 *d.* - - - - - - - - - -	25
	£. 12,025

For the 6th June. (signed) *Coates, Son & Co.*, Brokers.

Enclosure, No. 12.

The Government of his Highness the Nizam *Dr.* to *R. S. Evans.*

FOR commuted stamps and fees on 8,750 10 *l.* fully-paid share warrants to bearer of the Hyderabad (Deccan) Company, Limited.

			£.	*s.*	*d.*
On 1,000 shares bought through		Cozenove and Akroyd - -	60	2	6
„ 1,750 „ „	„	Ellis & Co. - - - -	105	2	6
„ 1,000 „ „	„	Borthwick, Wark & Co. - -	60	2	6
„ 1,000 „ „	„	A. Anderson & Co. - - -	60	2	6
„ 1,000 „ „	„	Hollebone Bros. and French -	60	2	6
„ 1,000 „ „	„	T. N. Oakley - - - -	60	2	6
„ 1,000 „ „	„	Stewart, Tiley, and Whitmore -	60	2	6
„ 1,000 „ „	„	Coates, Son & Co. - - -	60	2	6
8,750 shares.			£. 526	—	—

Received, 6th June 1887.
(signed) *Richard S. Evans.*

Appendix L. 8.

My dear Nawab, 19 August 1887.

As you are aware, Sirdar Diler-ul-Mulk, C.I.E., has called upon me and shown me all the papers connected with the performance of the three important duties for which he was directed to proceed to England.

With regard to the purchase of shares in the Deccan (Mining) Company, he seems to have effected a difficult transaction in a quiet manner, which prevented the purchase, large as it was, affecting the price at which your Government obtained a predominant interest in the concern.

Secondly.—The directors of the Guaranteed Railway have been induced to withdraw their opposition to the legitimate demand made by your Government for the acceptance of the debentures taken in lieu of a cash payment at that time due, on the principle of their valuation at the market rates then prevalent and not at par. The compromise, which was finally agreed to, whilst it slightly diminishes the sum acknowledged to be due on this account, was under all the circumstances unavoidable. The mode of payment appears to have been also made as easy as possible to the company; and this was also in all probability necessary and right.

Thirdly.—The final resolution passed by the directors, and the nomination of a director in London to represent his Highness's Government, appear to me to have placed as large powers of control over the expenditure, on both Capital and Revenue Accounts, in your hands as are to be desired.

These are my own impressions in the matter, but as the Government of India would be glad to receive authoritative information regarding these proceedings, affecting as they do your dealings with large capitalists in England, I would now ask you to favour me with such a report of the transactions as I may be able to forward to his Excellency the Viceroy.

I am, &c.
(signed) *J. G. Cordery.*

Appendix M.

COPY of Special Account between H. H. the Nizam's Government and the National Provincial Bank of England, Limited, as supplied by the Bank from time to time.

Dr. *Cr.*

Date.	Particulars.	Amount.	Date.	Particulars.	Amount.
1884:		£. s. d.	1884:		£. s. d.
	To Cost of redeeming old Shares at 25 per cent. premium, from 6 February to 30 June 1884.	495,468 19 3		By Amounts paid in by H. H. the Nizam's Guaranteed State Railway Company on 4 February 1884.	325,000 – –
	„ Interest due on the Shares up to 30 June 1884.	559 8 2		„ Ditto, 6 February 1884 -	50,380 – –
				„ Ditto, 13 „ „ -	44,620 – –
				„ Ditto, 3 March, amount of over-payment recovered from the London Joint Stock Account, Mackel lop, 25/2/84.	– 10 –
				„ Ditto, 27 May, ditto -	14,000 – –
			30 June -	„ Balance - - - -	62,027 17 5
	£.	496,028 7 5		£.	493,028 7 5
1 July -	To Balance - - - -	62,027 17 5			
22 „ -	„ Amount paid in redemption of Shares in the old Railway Company.	5 – –		By Amounts paid in by H. H. the Nizam's Guaranteed State Railway Company on 23 July.	59,375 – –
25 „ -	„ Ditto - - - - -	100 – –			
31 December	„ Interest on Debtor Balance on 31 December 1884.	126 15 4		„ Ditto, 3 September - -	131,625 – –
	„ Balance - - - -	128,740 7 3			
	£.	191,000 – –		£.	191,000 – –
1885:			1885:		
	To Cost of redeeming Shares, as per letter of 21 January 1885.	12,254 10 5			
	„ Ditto, 27 January 1885 -	8,781 1 4			
	„ Ditto, 29 „ „ -	878 6 9			
	„ Ditto, 2 February „ -	1,883 2 9			
	„ Ditto, 4 „ „ -	502 6 –			
	„ Cost of redeeming Shares, as per letter of 5 February 1885.	1,632 13 10			
	„ Ditto - - - -	4,018 18 9			
	„ Ditto, 7 February 1885 -	1,005 5 2			
	„ Ditto, 12 „ „ -	377 2 5			
	„ Ditto, 9 March „ -	1,261 3 7			
	„ Ditto, 18 „ „ -	252 10 7			
	„ Ditto, 17 April „ -	380 5 7			
	„ Ditto, 28 „ „ -	1,268 1 8			
	„ Ditto, 1 May „ -	127 – 9			
	„ Ditto, 30 June „ -	2,250 – –			
	„ Ditto „ „ -	125 – –			
30 June -	„ Balance - - - -	91,462 17 8	30 June -	By Balance - - - -	128,740 7 3
	£.	128,740 7 3		£.	128,740 7 3
	To Cost of redeeming Shares, as per letter of 8 July 1885.	1,251 6 3			
	„ Ditto, 9 July 1885 -	1,126 6 7			
	„ Ditto, 13 „ „ -	250 8 6			
	„ Ditto, 15 „ „ -	1,377 14 3			
	„ Ditto, 17 „ „ -	250 11 2			
	„ Ditto, 28 „ „ -	250 18 5			
	„ Ditto, 29 „ „ -	752 17 2			
	„ Ditto, 12 August „ -	879 18 11			
	„ Ditto, 27 October „ -	253 18 3			
	„ Ditto, 31st December „ -	3,000 – –			
	„ Balance - - - -	82,068 10 2	1 July -	By Balance - - - -	91,462 17 8
	£.	91,462 17 8		£.	91,462 17 8

Appendix M.—Copy of Special Account between H. H. the Nizam's Government, &c.—*continued.*

Dr. *Cr.*

Date.	Particulars.	Amount.	Date.	Particulars.	Amount.
1886:		£. s. d.	1886:		£. s. d.
	To Cost of redeeming Shares in the old Railway Company, as per letter of 7 January.	125 2 3	1 January	By Balance - - - -	82,068 18 2
	„ Ditto, 19 January - -	626 11 3			
30 June -	„ Balance - - - - -	81,317 4 8			
	£.	82,068 18 2		£.	82,068 18 2
31 December	To Balance - - - -	81,317 4 8	1 July -	By Balance - - - -	81,317 4 8
1887:			1887:		
	To Amount paid in part Redemption of certain old Shares, as per Bank's letter of 15 July 1887.	200 - -			
	„ Amount transferred to the General Account on 6 June 1887.	81,117 4 8	1 January	By Balance - - - -	81,317 4 8
	£.	81,317 4 8		£.	81,317 4 8

Special Account closed on 6 June 1887.

Examined,
R. A. Butterfield, Head Accountant, Home Secretariat.

Sirdar *Diler Jung*,
Home Secretary.

COPY of General Accounts between H. H. the Nizam's Government and the National Provincial Bank of England, Limited, as supplied by the Bank from time to time.

Dr. *Cr.*

Date.	Particulars.	Amount.	Date.	Particulars.	Amount.
1884:		£. s. d.	1884:		£. s. d.
30 January -	To Amount paid to Sirdar Diler Jung in enfaced paper.	88,333 6 -	31 January	By proceeds of Bill for Rs. 24,824·75 on Secunderabad.	1,978 4 -
30 „ -	„ Ditto - - - - -	1,978 4 -			
2 February	„ Compensation paid to General Hopkinson for loss of office.	1,500 - -	10 June -	„ Value of unused Stamp recredited.	- - 3
4 „ -	„ Ditto to Sir George Yule for ditto.	1,000 - -			
5 „ -	„ Ditto to Lord Claud Hamilton for ditto.	1,500 - -	13 „ -	„ Amount of Remittance from India, on account of Interest, for half-year ending 30 June 1884.	28,483 - -
7 „ -	„ National Provincial Bank of England for Conversion of Shares.	1,066 11 3			
16 April -	„ Excess on Telegram - -	1 12 1	27 „ -	„ Amount recovered from certain Shareholders in new Railway Company on account of Interest on arrear payments.	682 12 11
17 „ -	„ the Oriental Bank, London, in part of Cost of Sirdar Diler Jung's journey to England.	2,759 - -			
17 „ -	„ Cost of Telegram to Secunderabad.	5 14 7			
17 „ -	„ Ditto, to Bombay - -	3 8 9			
17 „ -	„ Oriental Bank for Telegram	2 1 3			
21 May -	„ Telegraphing price of Shares	4 7 1			
5 June -	„ Ditto regarding dividend Warrants.	11 4 7			
10 „ -	„ Cost of Stamp Paper - -	- - 2			
12 „ -	„ Ditto and Cheque Book -	1 - 11			
17 „ -	„ Cost of Telegraphing price of Shares.	4 2 6			
27 „ -	„ Amount of Interest paid to Shareholders of new Railway Company, for half-year ending 30 June 1884.	22,241 2 9			
27 „ -	„ Value of Stamps on old and new Shares.	- - 3			
30 „ -	„ Interest on Debtor Balance on 30 June 1884.	1,237 18 6			
30 „ -	„ Interest up to 30 June 1884 on Shares in the old Railway Company.	1,083 18 9	30 June -	By Balance - - - -	86,589 16 3
	£.	117,733 13 5		£.	117,733 13 5

Appendix M.—Copy of General Accounts between H. H. the Nizam's Government, &c.—*continued.*

Dr. *Cr.*

Date.	Particulars.	Amount.	Date.	Particulars.	Amount.
1884:		£. s. d.	1884:		£. s. d.
1 July -	To Balance - - - -	86,589 16 3	2 July -	By Interest on Government shares.	4,052 2 10
1 „ -	„ Ditto - - - -	763 15 –			
2 „ -	„ Ditto - - - -	431 16 3			
3 „ -	„ Ditto - - - -	29 7 6			
4 „ -	„ Ditto - - - -	88 2 6			
7 „ -	„ Amount of interest on shares in the old Railway Company.	123 7 6	8 „ -	„ Amount paid by new Railway Company.	75,000 – –
8 „ -	„ Ditto - - - -	85 3 9	8 „ -	„ Ditto - - - - -	25,066 – –
9 „ -	„ Ditto - - - -	2 18 9			
10 „ -	„ Ditto - - - -	23 10 –			
11 „ -	„ Amount of interest on shares in the old Railway Company.	47 – –	13 August -	To Interest on Government shares.	6,611 7 9
11 „ -	„ Ditto of Balance of ditto for half-year ending 30 June 1884 paid to shareholders in the new Railway Company.	1 10 2	21 „ -	„ Interest of Guaranteed Fund of 15 lacs.	3,887 11 11
12 „ -	„ Interest up to 30 June 1884 to shareholders in the new Railway Company.	79 6 3	10 October	„ Amount of Bank's Commission on interest paid on shares in the old Railway Company.	8 6 2
14 „ -	„ Ditto to shareholders of the old Railway Company.	29 7 6			
15 „ -	„ Ditto - - - -	141 – –			
16 „ -	„ Ditto - - - -	88 2 6			
18 „ -	„ Ditto - - - -	11 15 –	16 „ -	„ Ditto - - - - -	32 – 6
19 „ -	„ Ditto - - - -	14 13 9			
21 „ -	„ Ditto - - - -	49 18 9			
22 „ -	„ Ditto - - - -	35 5 –			
23 „ -	„ Ditto - - - -	73 8 9	6 Nov. -	„ Ditto - - - - -	1,025 6 2
24 „ -	„ Ditto - - - -	2 18 9			
30 „ -	„ Ditto - - - -	2 18 9			
1 August -	„ Ditto - - - -	5 17 6			
2 „ -	„ Ditto - - - -	8 16 3	31 Dec. -	By Interest on Creditor Balance.	213 13 3
9 „ -	„ Ditto - - - -	2 18 9			
16 „ -	„ Ditto - - - -	14 13 9			
18 „ -	„ Ditto - - - -	8 16 3			
20 „ -	„ Ditto - - - -	5 17 6			
25 „ -	„ Additional interest on new Railway Company's shares.	2,176 11 6			
3 September	„ Cost of a box for holding Government Debentures.	3 5 –			
22 „ -	„ Amount of Commission for repayment and conversion of certain shares in old Railway Company.	166 17 6			
10 October -	„ Amount of Commission, 3,324 *l.*, being interest up to 30 June 1884 on old Railway shares.	8 6 2			
10 „ -	„ Income tax on above sum at 5 *d.* in the £.	69 5 –			
6 November	„ Value of transfer stamp -	– 10 –			
7 „ -	„ Amount of interest for half-year ending 30 June 1884 on shares in old Railway Company.	23 10 –			
7 „ -	„ Registration fee for retransferring certain shares to Government.	– 2 6			
27 „ -	„ Cost of telegram to Secunderabad regarding advance.	5 – 10			
28 „ -	„ Ditto, regarding rearrangement of deficiency.	2 15 –			
12 December	„ Bank's Commission in connection with cancellation of surrendered shares in the old Railway Company.	50 – –			
	Carried forward - - £.	91,268 6 2		Carried forward - - £.	115,896 8 7

Appendix M.—Copy of General Accounts between H. H. the Nizam's Government, &c.—*continued.*

Dr. *Cr.*

Date.	Particulars.	Amount. £. s. d.	Date.	Particulars.	Amount. £. s. d.
1884:			1884:		
	Brought forward - -	91,268 6 2		Brought forward - -	115,893 8 7
12 December	To Amount of interest for half-year ending 31 December 1884 paid to shareholders in the new Railway Company.	42,902 8 5			
12 „ -	„ Ditto - - - - -	3,309 - -			
16 „ -	„ Notarial Charges for cancelling old Certificates.	52 12 6			
31 „ -	„ Amount of interest on Debtor Balance.	56 10 3			
31 „ -	„ Postage and Registration on coupons.	1 2 -	31 Dec. -	By Balance - - - - -	21,693 10 9
	£.	137,589 19 4		£.	137,589 19 4
1885: 1 January -	To Balance - - - - -	21,693 10 9	1885: 1 January	By interest on Government shares, less income tax.	7,544 19 -
23 „ -	To amount of interest for half-year ending 30 June 1884 on shares in the old Railway Company.	23 10 -	1 „ -	„ Ditto - - - -	4,624 6 3
			2 „ -	„ Interest on Debentures -	4,711 4 -
8 May -	„ Postage and Registration on coupons.	- 12 4	21 „ -	„ Interest of Guaranteed Fund.	69 12 5
22 June -	„ Interest for half-year ending 30 June 1885, paid to shareholders in the old Railway Company.	2,475 - -	21 „ -	„ Ditto - - - -	35 13 8
			21 „ -	„ Ditto - - - -	1,109 11 11
			6 February	„ Ditto - - - -	112 7 3
			9 April -	„ Ditto - - - -	31 1 10
30 „ -	„ Ditto, new Railway Company.	43,697 4 6	16 May -	„ Ditto - - - -	1,018 11 6
30 „ -	„ Ditto, on Debentures for ditto.	4,691 1 4	26 „ -	„ Remittance for interest to shareholders in the new Railway Company for half-year ending 30 June 1885.	55,000 - -
30 „ -	„ Paid to Mr. W. C. Watson and Lord Lawrence for half-year ending 30 June 1884 on account of the Sinking Fund.	1,172 15 4			
			22 June -	„ Ditto, through Chartered Bank of Australia, India, and China for ditto.	3,000 - -
30 „ -	„ Amount of income tax paid on the interest on Government Debentures for half-year ending 30 June 1885.	140 18 8	30 „ -	„ Interest on Creditor Balance for 30 June 1885.	51 18 6
30 „ -	„ Ditto, on Sinking Fund -	35 4 8			
30 „ -	„ Interest on Debtor Balance for 30 June 1885.	68 7 8			
30 „ -	„ Balance - - - - -	3,311 1 1			
	£.	77,309 6 4		£.	77,309 6 4
2 July -	To Bank's Commission for conversion of shares.	92 16 3	1 July -	By Balance - - - - -	3,311 1 1
			1 „ -	„ Amount of interest on Government shares for half-year ending 30 June 1885.	12,135 8 4
31 December	„ Postage and Registration on coupons.	- 10 7	1 „ -	„ Ditto on Government Debentures for ditto.	4,670 18 8
			10 „ -	„ Difference between sevenpence and eightpence charged on account of income tax on interest due for half-year ending 30 June 1885 on Government Debentures.	20 2 8
			27 „ -	„ Interest for Guaranteed Fund.	68 11 10
			27 „ -	„ Ditto - - - -	1,091 8 2
			27 „ -	„ Ditto - - - -	35 3 3
			13 August -	„ Ditto - - - -	111 5 -
			7 October	„ Ditto - - -	29 1 2
			6 Nov. -	„ Ditto - - - -	945 11 3
			22 Dec. -	„ Remittance from India for interest to shareholders in the old Railway Company for half-year ending 31 December 1885.	57,000 - -
			31 „ -	„ Interest on Creditor Balance in General Account.	155 4 9
31 „ -	To Balance - - - - -	79,570 3 10	31 „ -	„ Ditto, Special Account -	89 14 6
	£.	79,663 10 8		£.	79,663 10 8

Appendix M.—Copy of General Accounts between H. H. the Nizam's Government, &c.—*continued.*

Dr. *Cr.*

Date.	Particulars.	Amount. £. s. d.	Date.	Particulars.	Amount. £. s. d.
1886:			1886:		
1 January -	To Amount of Interest for the half-year ending 31 December 1885, paid to shareholders in the old Railway Company.	2,265 - -		By Balance - - - - -	79,570 3 10
			1 January	„ Amount of Interest of Government shares, 500,000 *l.* for half-year ending 31 December 1885.	12,083 6 8
1 „ -	„ Ditto, new Company -	53,452 10 8			
18 „ -	„ Amount of Bank's Commission at ¼ per cent. in connection with the redemption of certain shares in old Railway Company up to 31 December 1885, 9,375 *l.*	23 8 9	1 „	„ Ditto, on Government Debentures, 216 × 100 = 24,600 *l.* at 4 per cent. for half-year ending 31 December 1885.	4,670 18 8
			14 „	„ Amount of Interest on a portion of the old Guarantee Fund of 15 lacs for half-year ending 31 December 1885, viz., Rs. 43,900 of the 4 per cent. loan of 1854-55.	62 15 5
12 June -	„ Cost of telegram regarding Dividend.	7 15 10			
18 „ -	„ Regarding cypher on telegram of 11 June 1886.	3 17 11			
30 „ -	„ Amount of Interest for the half-year ending 30 June 1886, paid to shareholders in the old Railway Company.	2,175 - -	22 „	„ Ditto, Rs. 6,98,500 of the 4 per cent. loan of 1879 for ditto, Rs. 13,970.	1,012 16 6
			22 „	„ Ditto, Rs. 20,009 of the 4½ per cent. loan of 1870 for Rs. 450.	32 12 6
			19 February	„ Ditto, Rs. 71,200 of the 4 per cent. loan of 1842-43 for half-year 31 January 1886, Rs. 1,424.	102 10 7
			7 May -	„ Ditto, Rs. 6,46,500 of the 4 per cent. loan of 1865 for half-year ending 30 April 1886.	887 13 2
			7 „ -	„ Amount of Interest on a portion of the old Guarantee Fund of 15 lacs, viz., Rs. 19,900 of the 4 per cent. loan of 1835-36 for the half-year ending 31 March 1886, Rs. 398, less Income Tax, 19 *l.* 4 *s.*	28 1 1
			30 June -	„ Interest on Creditor Balance in the General Account.	281 19 8
	To Balance - - - - -	40,946 2 4	30 „ -	„ Ditto, Special Account -	140 17 5
	£.	98,873 15 6		£.	98,873 15 6
1 July -	To Amount of Interest for the half-year ending 30 June 1886, paid to shareholders in the new Railway Company.	59,605 16 10	1 July -	By Balance - - - - -	40,946 2 4
				„ Amount of Interest at 5 per cent. on Government shares, 25,000 × 20 = 500,000 *l.* for the half-year ending 30 June 1886, after deducting Income Tax, 416 *l.* 13 *s.* 4 *d.*	12,083 6 8
8 „ -	„ Bank's Commission at ¼ per cent. on the redemption of certain shares in the old Railway Company during half-year ending 30 June 1886.	1 17 6			
			1 „ -	„ Ditto, Debentures 241,600 *l.* at 4 per cent. for ditto, less Income Tax of 161 *l.* 1 *s.* 4 *d.*	4,670 18 8
22 „ -	„ Amount of Interest for the half-year ending 30 June 1886, now written back.	33 8 5	15 „ -	„ Amount of Interest on a portion of the old Guarantee Fund of 15 lacs, viz., Rs. 43,900 of the 4 per cent. loan of 1854-55 for the half-year ending 30 June 1886, after deducting Income Tax at 5 pies in the rupee.	58 2 5
18 December	„ Cost of Telegram to Home Secretary.	3 16 -			
31 „	„ Amount of Interest for the half-year ending 31 December 1886, paid to shareholders in the old Railway Company.	2,175 - -	27 July -	By Amount of Interest on a portion of the old Guarantee Fund of 15 lacs, viz., Rs. 6,98,500 of the 4 per cent. loan of 1879 for the half-year ending 30 June 1886, less Income Tax.	917 18 9
31 „	„ Ditto, in new Company -	66,600 8 2			
	Carried forward - - £.	128,420 6 11		Carried forward - - £.	58,676 8 10

Appendix M.—Copy of General Accounts between H. H. the Nizam's Government, &c.—*continued.*

Dr. *Cr.*

Date.	Particulars.	Amount.	Date.	Particulars.	Amount.
		£. s. d.			£. s. d.
1886:	Brought forward - -	128,420 6 11	1886:	Brought forward - -	58,676 8 10
31 December	To Amount of Interest for 31 December 1886, on overdraft.	103 17 -	27 July -	By Amount of Interest on a portion of the old Guarantee Fund of 15 lacs, viz., Rs. 20,000 of the 4½ per cent. loan of 1870 for ditto, less Income Tax.	29 11 4
			25 August -	„ Ditto, Rs. 71,200 of the 4 per cent. loan of 1842-43 for the half-year ending 31 July 1886, less Income Tax.	89 14 6
			15 October	„ Ditto, Rs. 19,900 of the 4 per cent. loan of 1835-36 for the half-year ending 30 September 1886.	26 18 8
			5 Nov. -	„ Ditto, Amount of Interest on Rs. 6,46,500 of the 4 per cent. loan of 1865 for the half-year ending 31 October 1886, less Income Tax.	887 13 -
			20 December	„ Ditto, Amount of remittance from India on account of Interest for half-year ending 31 December 1886, through the Bank of Bengal, Calcutta.	68,800 8 2
				Interest on shares in new Railway Company, 66,600 *l.* 8 *s.* 2 *d.*	
				Ditto, old Railway Company, 2,200 *l.*	
			31 „	„ Interest on Creditor Balance in General Account.	68 7 2
	To Balance - - - -	450 6 11	31 „	„ Ditto, Special Account -	395 9 2
		£. 128,974 10 10			£. 128,974 10 10
1887:			1887:		
28 January -	To Amount paid on account of cost of Stamps on Debentures.	542 10 -	1 January	By Balance - - - -	450 6 11
			1 „	„ Amount of Interest at 5 per cent. on Government shares, 500,000 *l.* for the half-year ending 31 December 1886.	12,083 6 8
6 June -	„ On account of purchase of 12,500 shares in the Hyderabad (Deccan) Company, 8,750 10 *l.* fully-paid and 3,750 5 *l.* paid.	132,881 - -	1 „	„ Ditto, at 4 per cent. on Debentures, 241,600 *l.*	4,670 18 8
27 „ -	„ On account of box to hold Government securities.	1 2 6	15 „	„ Amount of Interest on a portion of the old Guarantee Fund of 15 lacs, viz., Rs. 43,900 of the 4 per cent. loan of 1854-55 for the half-year ending 31 December 1886.	61 15 8
27 „ -	„ Two boxes for ditto - -	4 13 -			
30 „ -	„ Amount of Interest charges on Debtor Balance on 30 June 1887.	10 1 4			
30 „ -	„ Interest for the half-year ending 30 June 1887 on shares and debentures, new Company shares 50,000, debentures 19,692 *l.* 16 *s.*	69,692 6 -	27 „	„ Ditto, Rs. 20,000 of the 4½ per cent. loan of 1870 for ditto.	31 13 4
30 „ -	„ Amount paid to the Trustees of the Debenture Sinking Fund.	4,923 4 -	27 „	„ Ditto, Rs. 6,98,500 of the 4 per cent. loan of 1879.	983 - 7
			8 February	„ Ditto, Rs. 71,200 of the 4 per cent. loan of 1842-43 for half-year ending 31 January 1887.	100 4 1
			25 April -	„ Ditto, Rs. 19,900 of the 4 per cent. loan of 1835-36 for the half-year ending 31 March 1887.	26 5 -
	Carried forward - - £.	208,055 6 10		Carried forward - - £.	18,407 10 11

Appendix M.—Copy of General Accounts between H. H. the Nizam's Government, &c.—*continued.*

Dr. *Cr.*

Date.	Particulars.	Amount.	Date.	Particulars.	Amount.
		£. s. d.			£. s. d.
1887:	Brought forward - -	208,055 6 10	1887:	Brought forward - -	18,407 10 11
			13 May -	By Amount of Interest on a portion of the old Guarantee Fund of 5 lacs, viz., Rs. 6,46,500 of the 4 per cent. loan of 1865 for the half-year ending 30 April 1887.	846 9 3
			6 June -	„ Ditto, Amount transferred from the Special Account.	81,117 4 8
			9 „ -	„ Ditto, Sale proceeds of Government of India Promissory notes, British Rs. 11,29,000 on account of Interest for half-year ending 30 June 1887.	*75,000 - -
			30 „ -	„ Ditto, Interest on Creditor Balance in the General Account.	131 5 2
			30 „ -	„ Ditto, in the Special Account	337 4 2
			30 „ -	„ Ditto, Interest on Deposits and Investments of Surplus Capital.	5,612 10 9
			30 „ -	„ Ditto, back Interest on Debentures.	3 9 3
			30 „ -	„ Balance - - - -	26,599 12 8
	£.	208,055 6 10		£.	208,055 6 10

Examined,
R. A. Butterfield, Head Accountant, Home Secretariat.

Sirdar *Diler Jung*,
Home Secretary.

	Rs. a. p.
* The Sum of 75,000 *l.* is made up as follows :—	
Received Promissory Notes of the value of Rs. 11,29,000, which, at a discount of 5 per cent. =	10,72,550 - -
Interest on Rs. 11,29,000 at 4 per cent. from 1st May to 8th June 1887 - - - -	4,825 5 -
Total - - - Rs.	10,77,375 5 -
Deduct,— Rs. a. p.	
Income Tax - - - - - - 333 2 9	
Brokerage at $\frac{1}{16}$th per cent. - - 705 10 -	2,450 - 9
Commission at $\frac{1}{8}$th per cent. - - 1,411 4 -	
Net - - - Rs.	10,74,925 4 3
Equivalent at 1 *s.* 4 $\frac{25}{32}$ *d.* to - - - - - - - - - - - - £.	75,159 9 9
Balance in hand, as shown in separate Account - - - - - - - - - £.	159 9 9
Difference being Amount credited in General Account at the National Provincial Bank on 9th June 1887 - - - - - - - - - - - - - - £.	75,000 - -

EAST INDIA (DECCAN MINES).

COPY of MEMORANDUM of Sirdar *Diler Jung*, Secretary to His Majesty the Nizam's Government (Home Department), on the BUDGET ESTIMATE of the RAILWAY for Fasli 1297.

(*Mr. James Maclean.*)

Ordered, by The House of Commons, *to be Printed*,
1 *May* 1888.

[*Price* 8½*d.*]

141. *Under* 8 *oz.*

H.—3. 6. 88.

EAST INDIA (DECCAN MINES).

RETURN to an Address of the Honourable The House of Commons, dated 16 August 1887;—*for*,

"RETURN of CORRESPONDENCE between the Government of India and the Secretary of State relating to the Concession of MINING RIGHTS in the *Deccan*."

India Office,
26 August 1887.

JOHN E. GORST,
Under Secretary of State for India.

(*Mr. M'Lagan.*)

Ordered, by The House of Commons, *to be Printed*,
16 *September* 1887.

G. K. 71

LONDON:
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and HODGES, FIGGIS, and Co., 104, Grafton-street, Dublin.

338.

CORRESPONDENCE between the Government of India and the Secretary of State relating to the Concession of MINING RIGHTS in the *Deccan*.

— No. 1. —

EXTRACT DESPATCH from Secretary of State to Government of India, dated 21st February 1884, No. 19, Railway.

Paragraph 23.—With reference to the proposed mining lease, the negotiation of which was one of the objects entrusted to Sirdar Diler Jung, your Excellency will observe, from the concluding part of his letter of 25th January, that it has been considered advisable not to proceed further with this matter at present, and that its consideration will be postponed until he returns to Hyderabad. I have not had occasion to consider in detail the proposed terms of this lease, but as in the draft contract which was considered in India it was contemplated to grant to the lessees exclusive rights in all minerals in every part of the Nizam's territory, I cannot avoid expressing a doubt whether such a concession is essential to ensure the working of the coal, which, apparently, is the only mineral at present likely to be raised, and I trust that proper caution will be exercised in avoiding the grant of exclusive rights over extensive areas, which may be found extremely onerous in the future. It will also be a matter for the careful consideration of your Excellency's Government whether the lease, if entered into with a British subject, involves liabilities such as would bring it within the operation of the Act of 37 Geo. 3, c. 142, s. 28.

— No. 2. —

TELEGRAM from Secretary of State to Viceroy, dated 22nd January 1886.

Newspapers report grant of mining monopoly in Hyderabad. Have you received any proposals for concession? *See* Railway Despatch, 19, of 1884, paragraph 23.

— No. 3. —

TELEGRAM from Viceroy to Secretary of State, dated 29th January 1886.

Foreign. Yours 22nd. Mining monopoly in Hyderabad. Agreement has been concluded between the Nizam and Messrs. Watson and Stewart regarding Hyderabad Coalfields, which are intimately connected with the railway. This agreement, which is founded upon our advice, incidentally concedes exclusive prospecting rights to terminate 31st December 1891. We approve and would sanction. Despatch follows.

— No. 4. —

EXTRACT LETTER from Government of India to Secretary of State, dated 2nd February 1886, No. 31, Foreign.

My Lord,

WE have the honour, in continuation of our telegram of the 29th January, to forward copy of an agreement concluded between the Nizam's Government and Messrs. Watson and Stewart, relative to the coalfields and the development of mineral resources in the Hyderabad State.

2. This instrument is framed on the model of similar agreements in England, and concedes exclusive rights to prospect and test for coal and other minerals up to the 31st December 1891.

3. The question of mining operations formed, as your Lordship is aware, part of the object of Sardar Diler Jang's mission to London in 1883, but the definite conclusion of a mining contract was postponed pending Diler Jang's departure from England and return to Hyderabad. Before Diler Jang set out for India Messrs. Watson & Co. received from him a general acceptance of their proposals for a concession of mining rights in the Nizam's dominions, with special reference to what is known as the Singareni Coalfield. It is possible, too, that a belief in the prospective grant of mining rights was not without its influence on Messrs. Watson & Co. when they undertook on favourable terms the financial arrangements for the formation of the Nizam's State Railways Company. In spite of the considerable length to which their representative had gone in negotiations, the Hyderabad authorities appear to have contemplated either entering into fresh arrangements with other parties or endeavouring to compel Messrs. Watson & Co. to accept an agreement very considerably modified in principle, and not merely in detail, from that which was actually drafted under the orders of Diler Jang in London. The obviously injurious effect which this course was likely to entail upon the railway scheme in the London market did not apparently strike the Hyderabad Minister.

No. P. W. 1168, dated 5th July 1883, J. K. Cross, Esq., Under Secretary of State for India, to Abdul Hak Sardar Diler Jang, Bahadur, C.I.E.

4. Eventually, however, the representative of the London firm at Hyderabad came to terms with the Government of the Nizam, and a draft agreement accepted by both sides was submitted through the Resident to the Government of India.

5. The criticisms upon this draft are contained in our letter in the Foreign Department (which forms the ninth Enclosure of this Despatch), to which we would solicit reference. As we have stated in this letter, "the value of the coal is beyond doubt. If the fields are efficiently and promptly worked they will not only supply the railways of Southern India, but will provide a large and profitable traffic for the new railway extension from Hyderabad, which may be expected to be nearly open and ready to take coal about two years hence." It was at the same time necessary, in the Nizam's own interests, to point out in what respects the conditions of the original draft were likely to be too onerous to admit of commercially successful results. It may be sufficient to add that the agreement as now finally modified has been drawn up in accordance with our views and should, in our opinion, be confirmed.

6. We have considered, in connection with the observations in the concluding portion of the 23rd paragraph of the Despatch, No. 19, Railway, dated 21st February 1884, from the Right Honourable the Secretary of State for India, that any liabilities which might be incurred in pursuance of this agreement,

ment, under 37 Geo. 3, c. 142, s. 28, would be removed by the formal "consent and approbation" of the Governor General in Council "in writing;" but as your Lordship has suggested that the previous approval of the Secretary of State is desirable to contracts of the nature of this agreement, we would solicit that we may be favoured with this sanction by telegram.

Railway, No. 117, dated 29th October 1885, Despatch from Secretary of State to his Excellency the Right Honourable the Governor General of India in Council.

We have, &c.
(signed) *Dufferin.*
Fred. Roberts.
C. P. Ilbert.
S. C. Bayley.
T. C. Hope.
A. Colvin.
T. E. Hughes.

Enclosure 1, in No. 4.

From *J. G. Cordery*, Esq., B.C.S., Resident at Hyderabad, to the Secretary to the Government of India, Foreign Department; dated Hyderabad Residency, 4th February 1885, No. 131.

I HAVE the honour to forward a copy of a letter, dated the 14th ultimo, from the Minister of his Highness the Nizam, and of its Enclosures, with which he forwards a draft mining concession from the Government of his Highness the Nizam and Messrs. Watson and Stewart.

2. The draft has been accepted by Mr. C. A. Winter on behalf of the concessionaires, and agreed to by the Nawab Salar Jang on behalf of his Highness's Government.

3. The letter from the Minister details the negotiations which have led up to the conclusion of this concession, and the considerations which have weighed with the Nizam's Government in agreeing to it.

4. I have also just received your telegram of the 2nd February, in which you ask for these papers, then being copied for transmission to you. Though I am still inclined to the belief that some of the arguments urged by Mr. Winter for a modification of the terms in the new draft agreement are more reasonable than is admitted by the Minister, yet, after his acceptance of these, as reported to you in my demi-official of the 8th January last, I am not disposed to recommend any further interference in his behalf.

CORRESPONDENCE referred to in Enclosure 1.

From His Excellency Nawab *Salar Jang* to *W. J. Cuningham*, Esq.; dated Hyderabad, 14th January 1885 (demi-official).

IN reply to your letter of the 8th instant, forwarding one from Mr. Winter, regarding the mining scheme, I beg to state as follows for the information of the Resident:—

Messrs. Watson and Stewart submitted on the 7th November 1882 a proposal (together with a schedule) to acquire a monopoly of mining rights in his Highness's territory. This mining proposal, as you are perhaps aware, was once linked with the railway scheme, but was subsequently disconnected, and the late Sir Salar Jang, after giving the matter his careful consideration, remarked as follows in his memorandum, dated 10th January 1883:—

"Having thus stated my opinion on the several points involved in this matter, I think I should not, on my part, hesitate in sanctioning, on behalf of his Highness the Nizam's Government, * * * * *

"II. The concession to Messrs. John Stewart, Clarence Watson, and others, of all mines, fields, beds, and deposits of coal, clay, iron, and all other minerals, the said Messrs. John Stewart, Clarence Watson, and others, in consideration of this concession in his Highness's territory, to raise a limited liability company in London, with a capital of one million sterling, who will expend at least 100,000 *l.* in the development of such mines, and, if the working of the mines proves sufficient for that purpose, will guarantee to provide the railway company with a minimum mineral traffic equivalent to 1 per cent. on the capital of the railway company."

The views of the Government of India, with reference to these schemes, were contained in their letter to the Resident, No. 654—I., dated 15th March 1883, and the following remarks were made with regard to the mining scheme:—

"4. Connected with this proposal is another for the concession of certain mining rights throughout the Nizam's dominions to a distinct company represented by Messrs. Watson and Stewart, of London, which would undertake to guarantee a fixed minimum mineral traffic for the new railway in consideration of certain facilities of conveyance."

"6. Generally, therefore, I am to say that the schemes which are now under consideration are approved by the Government of India."

"20. The terms of the sixth clause of the mining scheme" (that is, a guarantee to provide a minimum mineral traffic equivalent to 1 per cent. of the railway company's capital) "are very vague; but the Governor General in Council is not inclined to recommend its rejection on this account."

"21. I am to invite your particular attention to the fact that the right to future discoveries to minerals for five years, which is mentioned in the first clause of the proposal, is omitted from both the schedule and in paragraph 46 of the late Sir Salar Jang's memorandum. The indefinite character of the concession may lead to difficulties, but that is a matter mainly for the consideration of the Nizam's Government. Moreover, both the railway and mining proposals are defective in their arbitration clauses, seeing that they do not provide for the contingency of arbitrators differing as to the selection of an umpire."

The Government of India also considered that the provision in respect of police arrangements and jurisdiction were satisfactory, remarking:—

"The only provision of this nature which is objectionable in principle is Clause 13 of the mining schedule. This would admit the possibility of Europeans being tried by a mixed court, and would thus contravene the terms of the engagement entered into by the Nizam's Government under the sanad of the 10th July 1861. It is also open to the objections noted by you in the memorandum accompanying your letter, No. 180, of the 27th February."

Owing to the death of the late Minister before the receipt of this letter, the duty of passing final orders devolved on the Council of Regency, who, in an order dated the 30th March 1883, endorsed the decision of the late Regent, and authorised Sardar Dilar Jang to proceed to England, and close with the offers made by Morton, Rose & Co., and Messrs. Watson and Stewart, and conferred on him full authority to sign all necessary documents, transact business of whatever nature connected with the projects, and to act on all instructions he had received from the late Minister. Sardar Dilar Jang was, at the same time, instructed to carry out the suggestions made by the Government of India, which were severally enumerated.

On arrival in England Sardar Dilar Jang reported himself to Her Majesty's Secretary of State for India, and solicited permission to open negotiations, which permission was accorded in letter, dated 5th July 1883 (copy enclosed), in which it was stated that his Lordship in Council expected to be informed of any engagements into which Sardar Dilar Jang proposed to enter before their actual completion. A Special Committee, composed of India Office officials, was subsequently appointed to watch Sardar Dilar Jang's proceedings, and give him advice during the course of his negotiations. The mining scheme was proceeded with at the same time as the railway scheme; but before commencing negotiations Sardar Dilar Jang considered it advisable to consult the legal advisers of his Highness's Government and certain mining experts. The advice of the Special Committee referred to was also taken, when it was ascertained that the mining proposal and schedule were very vague, and would, unless materially modified, lead to grave complications. When this was reported by Sardar Dilar Jang, the Nizam's Government directed the preparation of a revised draft, and the Special Committee urged the desirability of its being drawn up by a committee of legal and mining experts. This was accordingly done, and as Messrs. Watson and Stewart, who discussed every point as the drafting (which occupied three months) proceeded, did not agree to the revised agreement, Sardar Dilar Jang considered it advisable, in view of the approaching installation of his Highness, to suggest the postponement of the definite conclusion of the contract, and proposed giving a general acceptance only, subject to the approval of details by his Highness's Government, and the signing of the definite contract at Hyderabad. The following telegrams passed between the Sardar and the Senior Administrator on the subject:—

From Sardar.—"Railway company floated; allotment entire share capital completed; money paid into bank. Have arranged mining scheme on basis of instructions, but to meet modifications suggested by Government India and Jones, and restrict vagueness of contract, it has been redrawn by our lawyers. As his Highness shortly assumes government, I think it now advisable to give concessionaires general acceptance of their proposals, subject to approval of details, and definite contract being signed at Hyderabad. I purpose returning by mail 1st February. Immediate instructions solicited."

From

From Senior Administrator.—"Leave England by the 1st February, and bring contract with you for execution in Hyderabad."

A copy of these telegrams was given by the Sardar to Mr. Watson, Mr. Winter being present at the time.

As distinct sanction to the granting of a general acceptance was *not* given by his Highness's Government, the Sardar considered that it was out of his power to give such an acceptance in writing, but he thought he might give a verbal promise. In this view the Special Committee at the India Office concurred, and Sardar Dilar Jang accordingly gave Messrs. Stewart and Watson a verbal assurance that he would *do his utmost* to bring about a satisfactory settlement of the mining scheme. The Resident is aware that the Sardar strove most zealously to keep his promise. He represented to me that Mr. Watson had undertaken the railway business on exceedingly favourable terms, and reduced the commission originally stipulated by Morton, Rose & Co. from 7½ to about 6 per cent., in the hope of being remunerated by the grant of the mining concession, by which he forfeited 12,500 *l.*, or about H. S. 1,87,500 rupees. Sardar Dilar Jang has also shown me Mr. Watson's accounts and original vouchers for the expenditure of 100,000 *l.*, granted to him by the directors for underwriting and incidental expenses incurred in floating the railway company, and proved to my satisfaction that the remuneration Mr. Watson had received was quite inadequate. The Sardar further pointed out that the misrepresentations of the political opponents of the railway scheme, by affecting the value of the shares, had involved a heavy loss on Mr. Watson and the other underwriters. He also represented the very valuable services rendered by Mr. Watson in bringing about a satisfactory settlement of the railway scheme, by which his Highness's Government had largely benefited, besides helping the Sardar to devise schemes for acquiring the interests of the old shareholders, and extinguishing the perpetual guarantee, and for forming a sinking fund for the redemption of the debenture capital of two and a-half millions sterling. I have been considerably influenced by Sardar Dilar Jang's representations in granting the concession to Messrs. Watson and Stewart when more favourable terms might have been secured.

In making a representation regarding the differences between the proposals and the revised agreement, Mr. Winter stated that he had learnt from Mr. Cordery of my suggestion that he should put into writing the chief points he desired to discuss. From his letter (a copy of which I enclose) you will see that Mr. Winter asks, on behalf of Messrs. Watson and Stewart, that in settling the details of the concession "the lines of the proposal, as modified by the letter of the Government of India, of the 15th March 1883, and as accepted by the Council of Regency, may be adhered to, as it was on the assurance of that acceptance that Mr. Watson undertook the formation of the railway company, and was induced to lower his original terms, so that there might be no opposition to the railway scheme on the part of the India Office.

The orders of the Council of Regency, no doubt, invested Sardar Dilar Jang with full power to conclude the mining agreement, and he would doubtless have done so had he considered it prudent; but, with the caution which has marked all his proceedings, he did not communicate the orders of the Council of Regency *officially* to Messrs. Watson and Stewart, nor did he give any general acceptance, or even *assurance*, based on the original proposal. His Highness's Government could not, in its own interests, let the opinion of professional experts pass unheeded, and conclude such an important agreement on the terms of the original proposal in the face of repeated and authoritative assertions that it was vague, and would lead to complications.

The differences pointed out by Mr. Winter in his letter referred to are the following:—

I. The original proposal dealt with the formation of the company with a nominal capital of one million sterling, and which would undertake to expend 100,000 *l.* The revised draft contained a proviso that 500,000 *l.* should be subscribed by a certain day, and that the 100,000 *l.* to be expended should be actually paid up. Mr. Winter suggested that the first issue of shares should be for 100,000 *l.*, of which 25,000 *l.* should be paid at once, and the balance in calls as required; and he represented that if the 100,000 *l.* which the company undertook to spend had to be paid up immediately on the formation of the company the money would only be idle for some time. I have consented to the amount to be subscribed being reduced from 500,000 *l.* to 250,000 *l.*; but I did not think it advisable to make any change in the proviso that the 100,000 *l.* should be paid up on the formation of the company, as I considered this necessary to secure the soundness of the undertaking. I cannot follow the argument that the money will be idle, for it can readily be invested in 4½ per cent. rupee paper. Besides, the amount is not more than the caution-money already paid into the National Provincial Bank.

II. Mr. Winter represented that no fee should be demanded from the company for prospecting, because no mention is made in any part of the proposal, or paper accepting it, of such a claim. I find, however, from the written instructions given to Sardar Dilar Jang by the late Minister, at the time he decided to sanction the schemes, on the 10th January 1883, that the Sardar was to stipulate for the payment by the mining syndicate of 25,000 *l.* annually for the exclusive right of prospecting. It appears, from the report made at the time by Sardar Dilar Jang, that this intention was communicated to Mr. Watson immediately on the Sardar's arrival at Dover. This prospecting fee was entered

entered in all the drafts prepared in England, but, at Mr. Watson's urgent request, and in consideration of his valuable services, the Sardar subsequently exercised the discretionary power conferred on him in the late Minister's instructions, and reduced the amount to a lakh of rupees.

III. The original proposal asks that the concessionaires be at liberty to associate themselves with others, and to transfer all or any rights, &c. to any person or company, whereas the revised draft provides for the grant of leases to the intended company, or its licensed nominees; but the Government is not bound to grant any lease to anyone but the company, and, further, the company cannot assign any lease without the permission of the Government. Mr. Winter asked that the power of associating itself with others, and of forming other companies under it, should still be given to the mining company, and that, to ensure Government against assignments being made to irresponsible persons, the sanction of Government should be obtained; but that such sanction should not be withheld unless the proposed lessee or assignee is not considered sufficiently solvent. Any difference of opinion on this head to be decided by arbitration. I have agreed to an amendment to the effect that the sanction of Government shall not, *as a rule*, be withheld; but I have not consented to the action of Government being subjected to arbitration.

IV. A fixed scale of royalties was entered in the original proposal, whereas the revised draft leaves this to be settled *from time to time* by a mining board. Mr. Winter wished the scale given in the schedule accompanying the original proposal to stand, but the peculiar nature of the concession necessitates a provision for the fixing of *proper* rates, and no scale could therefore be fixed at present, as pointed out by the legal advisers of his Highness's Government, who observed—

"The clauses as to the royalties to be paid have been prepared on the principle of ascertaining what the fair rent will be by a reference before granting each particular lease. It was found exceedingly difficult, in the present uncertainty as to the nature and extent of the several subjects of demise, to prepare clauses which should give effect satisfactorily to the principle of percentages on net profits. Among other objections to such a principle would be that the royalties could not be ascertained till sales had been completed, and the minerals and substances demised probably removed beyond the jurisdiction and inspection of the Nizam's Government." A copy of the report by the legal advisers is enclosed.

The words "from time to time" have, at Mr. Winter's urgent request, been expunged, as they may be interpreted as meaning that rates once fixed by the mining board can be altered unreasonably.

V. The revised draft provides that the lessees shall work in every year up to a minimum total royalty to be fixed by the mining board. Mr. Winter pointed out that the original proposal was silent as to this. He did not see how any minimum could be fixed, at all events until some time after the working and development of any mine, and submitted that the provision was unnecessary, as any lessee would, in his own interests, work the mines to their full extent. I thought, however, that some safeguard was necessary, but inserted a clause that the minimum royalty should be fixed two years after the commencement of active mining operations. This time ought to suffice for ascertaining the productive qualities of a mine.

VI. The revised draft required that the mining company should provide mineral traffic to the railway to the extent of 45,000 *l.* per annum. The proviso contained in the original proposal that this traffic would be furnished if the development of the mines proved sufficient for that purpose has now been added to the approved draft, for the mining company could not supply more than the mines are able to produce.

After carefully considering Mr. Winter's letter, I wrote to him on the 17th December (copy enclosed) pointing out that I could not reject a document prepared by the legal advisers of his Highness's Government and mining engineers, and with the knowledge and approval of Her Majesty's Secretary of State for India in Council, the provisions contained in which were considered necessary for the protection of his Highness's Government, nor did I believe that the Resident and the Government of India would advise this Government to accept any such vague agreement as the original proposal was. I added that his Highness's Government was quite willing to conclude the revised agreement if Mr. Winter agreed to it on the part of the concessionaires.

Mr. Winter, in his reply, which has been forwarded through you, states that he is pressed by his principals to do his utmost to induce me to grant the concession on the lines of the accepted proposal, and that he finds himself without any alternative but to acquiesce in my views, and accept what I grant. It is hardly fair of Mr. Winter to put the matter thus. I have already shown that no formal acceptance of the original proposal was given. It would never have done for the Government to conclude such an agreement, nor would it pay any company to attempt to work on a proposal which would lead to complications. That this was the opinion of Mr. Jones, the late Resident, is evident from his letter to the Government of India, No. 180, dated 27th February 1883, where he states that he "much disliked the wideness of the concession, and greatly disliked the vagueness of Clause 3 of the proposal, considering that nothing but trouble can come of an arrangement" in which there is uncertainty.

The

The above facts prove that there are no grounds for Mr. Winter's assertion that he has no other alternative but to accede to my views, as every facility was given to the proposed concessionaires, from the very commencement, to discuss the revised draft in its minutest detail.

Mr. Winter now agrees to the revised draft on behalf of the principals, but asks me to reconsider two points; first, regarding the 100,000 *l.* being *paid up* by the company, instead of an "undertaking to expend it," and second, the payment of a fee for prospecting.

Mr. Winter urges that these points are of minor importance to the State, but were never contemplated by the proposers, and that by insisting upon them the business undertaken will be rendered more difficult of accomplishment.

I have already, after very careful consideration, agreed to several important suggestions made by Mr. Winter, and it is not possible for his Highness's Government to accede to the further concessions again asked for.

As the Resident, the Government of India, and the Secretary of State have approved of the proposal to grant the mining concession to Messrs. Watson and Stewart, I have accepted the revised draft, as agreed to by Mr. Winter on behalf of Messrs. Watson and Stewart, and which I now forward in original for the Resident's information. On receiving back the document and learning the views of the Resident, I shall lose no time in signing the contract.

From *J. K. Cross*, Esq., Under Secretary of State for India, to Abdul Hak Sardar *Dilar Jang*, Bahadur, C.I.E., dated India Office, London, 5th July 1883.

I AM directed by the Earl of Kimberley to acknowledge the receipt of your confidential letters of the 26th and 27th ultimo, reporting your arrival in this country, and enclosing copy of instructions given to you by the Council of Regency at Hyderabad in regard to certain projects for railway extensions and mining operations in the Nizam's territory.

Lord Kimberley learns from these papers, and from communications he has received from the Government of India, that the Nizam's Government have approved of a scheme for carrying into effect the projects in question, and have deputed you with full authority, and with the concurrence of the Governor General of India in Council, to conduct the necessary negotiations in this country.

The Government of India having expressed a general approval of the proposed arrangements, with certain reservations, set forth in a letter from the Foreign Secretary to the Resident at Hyderabad, dated the 15th March last, a copy of which is understood to be in your possession, I am directed to inform you that, subject to the conditions laid down in this office letter of the 24th May 1882, you are at liberty to act upon the instructions you have received from your Government, and that, as upon the last occasion of your visit to England last year, the Secretary of State in Council will be ready to give you such advice and assistance as you may desire during the progress of your negotiations, which he trusts you may be able to bring to a successful conclusion.

I am desired to add that his Lordship in Council will expect to be informed of any engagements into which you may propose to enter before their actual completion.

From *C. A. Winter*, Esq., to his Excellency Nawab *Salar Jang*, dated Hyderabad Residency, 16th December 1884.

MR. CORDERY has informed me of your letter of yesterday's date, in which your Excellency was good enough to suggest that I should put in writing the chief points I desire to discuss relating to the mining concession.

With your Excellency's permission I will first say that Mr. Watson and Mr. Stewart trust that, in settling the details of the concession, the lines of their proposal, as modified by the letter of the Government of India of the 15th March 1883, and as accepted by the late Council of Regency, may be adhered to, as it was on the assurance of that acceptance that Mr. Watson undertook the formation of the railway company, and was induced to lower his original terms, so that there might be no delay or opposition to the railway scheme on the part of the India Office. On Wednesday (the 10th instant) I had an interview with Sardar Dilar Jang, and went through the draft concession which had been prepared in England by the legal advisers of his Highness's Government, and I then found that the draft so prepared contained many points and provisions materially opposed to the terms of the accepted proposal.

The most important of these differences are the following:—

(1.) A proviso that, of the capital of the proposed company, 500,000 *l.* be subscribed for by a certain day, and 100,000 *l.* be *actually paid up*.

The proposal deals with the formation of a company with a nominal capital of one million sterling, and which shall undertake to expend 100,000 *l.*

Supposing a company should be called upon to pay up 100,000 *l.* immediately on formation, it is clear that the money could not be at once employed, and would only be lying idle. I would submit that the first issue of shares be for. 100,000 *l.*, of which a proportion, say 25,000 *l.*, be paid up at once, and the balance in calls at short notice and when required.

(2.) The first part of the draft limits the concession to certain specified mines and fields.

The second part grants a general prospecting monopoly for a certain number of years on payment of one lakh of rupees per annum from the date of exercising the prospecting right.

This is a most important difference; the whole tenor of the proposal points to a right to a prospect as being part of the concession. No mention is made in any part of the proposal, or in the papers accepting it, of any payment for the prospecting right, and I would respectfully invite your Excellency's attention to this point.

(3.) The draft provides that leases will be granted to the intended company or its licensed nominees, but the Government shall not be bound to grant a lease to anyone but the company.

Further, that the company shall not assign any lease without the permission of the Government.

The proposal asks that the concessionaires may be at liberty to associate themselves with others, and to transfer all or any rights, &c. to any person or company.

The reason of this is to enable the original company to associate itself with others, or to form other companies under it, for the purpose of developing the different branches of mining that will have to be adopted, and I would ask that this power be still given to ensure Government against assignments being made to irresponsible persons. I would suggest that the sanction of Government be required, but that Government should agree not to withhold this sanction unless the proposed lessee or assignee be not considered sufficiently solvent, and that in case of difference of opinion on this head that the quession be decided by arbitration under the arbitration clauses contained in the deed.

(4.) As to royalties payable. The draft leaves this to be settled in every case *and from time to time* by a mining board.

The proposal names certain fixed royalties, and it is obvious with a scale of royalties [illegible] and which may be from time to time altered, the concessionaires are [illegible] quantity of such great importance that it is doubtful whether at present u[illegible]ndertake the mining on these terms, and I dealing with an unknown [illegible] ned in the proposal be adhered to. they could form any company that would u[illegible] be contained in every lease that the would respectfully submit that the scale mentio[illegible]l royalty to be fixed by the mining

(5.) The draft also provides that a clause shall [illegible] lessees shall work in every year up to a minimum tot[illegible] see how any such minimum can board. [illegible]d development of any particular

The proposal is silent as to this, and it is difficult to [illegible] necessary, as any lessee will, be fixed, at all events until some time after the working an[illegible]y, of course, happen that mine, and even then I would submit that the provision is not [illegible] may not be able to sell in his own interest, work the mines to their fullest extent. It m[illegible]t on a royalty on more owing to either unforeseen causes or bad markets that the lessee [illegible] more than a certain quantity, in which case it would be hard to insis[illegible]traffic to the railthan was sold.

(6.) The draft also provides that the company shall provide mineral [illegible], "provided way to an extent of 45,000 *l.* per annum, [illegible]se." And

The proposal dealt with this as follows: to supply this amount of traffic [illegible] to), dealt the development and working of the mines produces sufficient for that purpo[illegible]overnor the Government of India, in their letter of the 15th March 1883 (before referred [illegible]l, after with this clause of the proposal, and, whilst terming it vague, added, "The G[illegible] will General in Council is not inclined to recommend its rejection on this head;" an[illegible] the showing the amount of coal traffic required to produce this amount, adds, "Thi[illegible]tail not readily be obtained." I would therefore ask that this clause may be drawn in[illegible] do terms of the proposal. There are, in addition to the above, several minor points of de[illegible]y which I would ask permission to discuss when the deed is finally settled, but as they [illegible] not involve questions of the principle of the concessions, I will not trouble your Excellen[illegible]e with them here.

As I understand that your Excellency desires to see this letter and to peruse th[illegible] papers before according me an interview, I have determined to return to Bombay fo[illegible] the present. If, when your Excellency is ready to see me, you will be good enough to favour me with an appointment I will come up at once and wait upon your Excellency.

Requesting your kind attention to this matter, which my friends are most anxious to see completed, &c.

From Messrs. *White, Borrett & Co.* to his Highness *Sardar Dilar Jang*, Bahadur, C.I.E., dated London, 6, Whitehall-place, 8th ebruary 1884.

WE beg to hand you the draft of the proposed concession, as submitted by us to the solicitor of Messrs. Watson and Stewart, the proposed concessionaires. It would not do to grant the concession in the general terms proposed by those gentlemen, and we have therefore adopted the principle of requiring the concessionaires to take up leases from time to time of the several mines and minerals which they may specially select, such leases to contain certain provisions which are particularised and such other provisions as may be usual and proper under the circumstances.

With reference to the constitution of the proposed company, the concessionaires contend that if the 100,000 *l.* is raised by debentures or otherwise the Government ought not to insist on any share capital being provided. In other words, that the company should be simply what is popularly known as a "founder's company," which is equivalent to a simple agency for finding other parties willing to take leases without any security that such parties will properly work the mines and pay the royalties. In accordance with this view they further claim the right for the proposed company to transfer the benefit of the concession to any nominees they may select independently of the Government. It appears to us, however, that the original proposal contemplates a *bonâ fide* company for the purpose of working the mines with a large available capital over and beyond the 100,000 *l.* to be paid up in the first instance as a condition of releasing the deposit made by the concessionaires, and there is no mention in the original proposal of any nominees or assignees of the company.

In our opinion at least half the capital should be subscribed, and the company should be restricted from assigning except by license. This would enable the Government to see that any assignee of the original company had the requisite capital and credit for working any mines so assigned with due efficiency.

The clauses as to the royalties to be paid have been prepared on the principle of ascertaining what the fair rent will be by a reference before granting each particular lease. It was found exceedingly difficult in the present uncertainty as to the nature and extent of the several subjects of demise to prepare clauses which should give effect satisfactorily to the principle of percentages on net profits. Among other objections to such a principle would be that the royalties could not be ascertained till sales had been completed, and the minerals and substances demised probably removed beyond the jurisdiction and inspection of the Nizam's Government.

A safer mode of arriving at the royalties seems to be to charge the royalty, as in the case of coal and iron in England, on the actual ore extracted before it is manipulated or manufactured, and in fixing these royalties it would be proper to take into account the character, quality, and value of the particular mineral demised, which even in the case of coal and iron (*i. e.*, iron ore) varies very greatly.

Care has also been taken to avoid committing the Government to the handing over of lands in the possession of other persons until proper arrangements have been made at the expense of the proposed company for acquiring all outstanding rights. The Indian Land Acquisition Act, though a good guide as to the principles on which compensation should be paid, does not run in the State of Hyderabad, and it would not therefore be safe to undertake to hand over all the lands on the conditions laid down in that Act without reserve, however equitable the compensation offered might be. This precaution is the most important, as the Government, while stipulating that the company shall have no armed retainers, has to undertake to protect the company in the possession of whatever may be demised to it.

All reference to exceptional jurisdiction for the trial of European employés of the company has been omitted, as this must be determined by the treaties and arrangements from time to time subsisting between the Government of India and that of his Highness the Nizam.

It will be necessary (if the concession is carried out) that the Government should appoint an auditor to examine the accounts from time to time, and also a mining engineer, whose duty it will be constantly to inspect the working of the mines and to attend (among other things, to the several points which would have to be determined by the proposed mining board.

In settling this draft we have had regard to your general instructions that we should carefully observe the spirit of the original instructions given by the late Sir Salar Jang and the Council of Regency, and admit no modification unfavourable to the interests of the Government of his Highness the Nizam.

From his Excellency Nawab *Salar Jang* to *C. A. Winter*, Esq., dated Palace, Hyderabad, Deccan, 17th December 1884 (demi-official).

I HAVE carefully read your letter of the 16th instant and the draft you refer to. In reply I beg to say that the draft has been prepared in England by a committee of legal advisers of his Highness the Nizam's Government and mining engineers, with the knowledge of Her Majesty's Secretary of State for India in Council, and contains necessary provisions to protect the interests of his Highness's Government. I therefore do not think that his Highness's Government would be justified in rejecting the document so carefully drawn up by experts, nor can I believe that the Resident and the Government of India would advise his Highness's Government to accept any vague agreement.

I need not add that his Highness's Government will be quite willing to conclude with the draft agreement above referred to, if you are prepared to agree to it on behalf of the concessionaires.

From *C. A. Winter*, Esq., to his Excellency Nawab *Salar Jang*, dated Hyderabad Residency, 7th January 1885.

I HAVE the honour to inform you that, after receipt of your Excellency's letter of the 17th ultimo, I have considered most carefully the views therein expressed.

My position is a most difficult one. I am pressed by my principals to do my utmost to induce your Excellency to grant the concession on the lines of the accepted proposal, and I find myself without any alternative but to acquiesce in your Excellency's views, and to accept what your Excellency is pleased to grant.

In this position I have again gone through the draft, and acting within what I take to be the limits defined by your Excellency have suggested one or two slight alterations, subject to which I ask your Excellency to sanction the concession.

Two points of considerable importance to the concessionaires, and in which the draft deed materially varies from the proposal, I would ask your Excellency's indulgence in requesting that your Excellency would again consider them. I refer to the 100,000 *l.* being *paid up* by the new company instead of "an undertaking to expend it," and the payment of a fee for prospecting. These points, I would submit, are of minor importance to the State, but they were never contemplated by the proposers in their proposal for the concession, and the now insisting upon them will tend to render the business undertaken by them more difficult of accomplishment.

However, in accordance with the concluding paragraph of your Excellency's letter referred to, in which your Excellency states "that his Highness's Government will be quite ready to conclude with the draft agreement above referred to, if I am prepared to agree to it on behalf of the concessionaires," I have, on behalf of my principals, agreed to the draft, and shall feel obliged if your Excellency would permit the matter now to be settled, so that the arrangements for getting the coalfields ready in time for the railway may be proceeded with forthwith.

THIS INDENTURE made the day of 1885 between Nawab *Mir Laki Ali Khan Salar Jang Munir-ud Daola Mukhtar-ul-Mulk Imadas Saltana, Prime Minister to his Highness the Nizam, acting* on behalf of the Government of his Highness the Nizam (hereinafter referred to as "the Government") of the one part, and William Clarence Watson, of No. 7, Great Winchester-street, in the City of London, merchant, and John Stewart, of No. 26, Throgmorton-street, in the said city, esquire (hereinafter referred to as the Concessionaires) of the other part. Whereas the Concessionaires having, on the 7th day of November 1882, made a proposal in writing to Government for the grant to them of such concession as therein mentioned, deposited at the National Provincial Bank of England, in the joint names of the Concessionaires, a sum of 100,000 *l.* as caution money, subject to certain terms and conditions agreed between the parties hereto; and whereas, by an Edict in writing, dated the 2nd day of June 1883, duly executed by the Council of Regency of his Highness the Nizam at Hyderabad, *Syed Bahadur, the Agent of the Government*, Abdul Hak, Sardar Dilar Jang, was, amongst other things, fully authorised and empowered on behalf of the Government to enter into, sign, and execute all necessary deeds and papers for granting a mining concession to the Concessionaires; and whereas, by a letter, dated the 5th day of June 1883, addressed by the Under Secretary of State for India to the said Abdul Hak, Sardar Dilar Jang, Bahadur, the said Sardar was authorised to act upon the instructions so given to him as aforesaid by the said Council of Regency at Hyderabad; and whereas a Railway Company has lately been formed under the Company's Act, 1862 to 1880, having for its objects (among other things) the construction of a Railway from Hyderabad to Warangal, and thence to the

the southern frontier of the State of Hyderabad near Bezwada, and from Warangal to the northern frontier of the said State near Chanda; AND WHEREAS the *said Abdul Hak, Sardar Dilar Jang, Bahadur, has given a general acceptance of the proposal* to grant to the Concessionaires the concessions hereinafter contained; NOW THIS INDENTURE WITNESSETH that, in consideration of the premises, it is hereby agreed between the said parties hereto (the Government binding itself as to the matters to be performed and observed by the Government, and the Concessionaires binding themselves as to all the matters to be performed and observed either by themselves or by the Company to be formed as hereinafter mentioned, but subject to the transfer to the same Company of the liability of the Concessionaries as hereinafter mentioned) as follows:—

1. The concessionaires or their respective executors or administrators shall, before the 1st day of January *1889*, form in London under the Companies Acts, 1862 to 1880, a Company limited by shares with a capital of not less than 1,000,000 *l.*, with power to increase the capital by an issue of debentures or otherwise if necessary, and having for or among its objects the acquisition of the rights and liabilities of the concessionaires under these presents and the execution of the works herein referred to.

2. If such a Company shall be formed before the said 1st day of January 1889, and if before that day *250,000 l.* of its share capital, at the least, shall have been subscribed for, and 100,000 *l.* shall have been actually paid up in respect of the subscribed share capital, and if such company shall also before the said 1st day of January 1889 have adopted this concession and made itself liable to make the payments mentioned in Clause 11 hereof, and in all other respects liable upon these presents to the same extent as the concessionaires were or would be liable, then it shall be lawful for the concessionaires to transfer to such Company the benefit of this concession, and upon such transfer being effected and notified to the Government before the said 1st day of January 1889, all liability of the concessionaires to the Government hereunder shall cease, and the said deposit of 100,000 *l.* shall be released to the concessionaires, subject to the deduction of any moneys then due from them to the Government. Until so released, the same sum of 100,000 *l.* shall remain deposited as aforesaid. Provided always, that *75,000 l.* of such 100,000 *l.* may from time to time be withdrawn and used for the purposes of prospecting and obtaining specimens of ores, coal, and other deposits; but that no actual mining operations shall be commenced, nor shall any obligation be entailed on the Government to grant any lease under these presents until the Company hereby agreed to be formed shall have been registered, and such proportion of its share capital as aforesaid paid up.

The concessionaires wish to be left free to raise the 100,000 *l.* by debentures, and without any share capital being subscribed, and to have the power of getting rid of all liability on the part of the Company to work the mines by calling on the Government to grant leases to any nominees they may, from time to time, select which would preclude the Government from insisting on proper guarantees being given as regards the ability of such nominees in the matter of capital and otherwise efficiently to work the mines. As to these points, *see* our report of this date.
White, Borrett & Co.—8-2-84.

3. At any time or times, and from time to time, until the 1st day of January 1889, the said Company to be formed as aforesaid may, without payment to the Government, from time to time, select and notify to the Government the selection of such and so many of the following coal and iron mines and beds in his Highness's territories, namely, the *Singareni* iron mines, the *Kamam* coal and iron mines, the *Sasti* coal and iron mines, the Poani coal and iron mines, the *Nirmal* coal and iron mines, the *Hanamkanda* coal and iron mines, the *Yelgandal* coal and iron mines, and the Medak coal and iron mines, as the said company may wish to acquire for mining operations, and on which the said company shall be prepared to commence, within two years from selection, or from the opening of a section of the proposed railway within reasonable distance, whichever shall first happen, active mining operations conformably with the terms of these presents. Every such notification shall describe the premises therein referred to by reference to the village plan or map relating to the same or otherwise with sufficient certainty. Provided that this power of notifying shall not extend to any mines or minerals which have once been leased in pursuance of this concession, and have been surrendered, abandoned, or forfeited as hereinafter mentioned. Provided also, that no lands shall be taken without the previous consent of the representatives of the Government being first obtained.

The names of these coalfields should be carefully checked.
W., B. & Co.—8-2-84.

4. Upon any such premises as aforesaid being selected and notified as aforesaid, if the concessionaires and the said company shall, up to that time, have fully observed and performed their part of the said agreement, the Government will, from time to time, at the expense of the concessionaires or the company, but free of any premium or other payment not herein expressly provided for, grant to the company or their licensed nominees (if any), and the said company or their licensed nominees shall accept, without any investigation of, or objection to, the title to such premises, a lease of such premises, for a term of 99 years from the date of these presents, upon and subject to the terms and conditions hereinafter referred to. Any number of mines may, at the option of the said company, be comprised in any one and the same lease. The Government shall not be bound to grant any lease to any nominee or assignee of the said company, but only to said company; *but the Government will not, as a rule, withhold its sanction to the grant of*

any lease by the company, unless the proposed lessee or assignee be not considered sufficiently solvent.

5. There shall be included in every such lease so much surface as shall be necessary for spoil-banks for the purpose of depositing the output from the mines, and for constructing buildings, roads, and works for carrying on mining operations under the lease, the quantity and position of such lands (in case of dispute) to be settled by arbitration under Clause 18 hereof. Provided that no surface-land shall be taken for smelting or any other purpose than getting and carrying away the raw ores and other substances gotten from the demised premises unless by special arrangement with the Government.

6. Every lease shall be granted and taken subject to the payment of the rate of land assessment usually payable in respect of similar lands in his Highness's dominions.

7. The privileges intended to be hereby granted shall be taken to be subject to the estates, interests, and rights (if any), in or to the premises to be comprised in any such lease as aforesaid of all persons (other than the Government, and persons claiming under the Government by any grant of the Government of later date than the date hereof), and the Government shall not be called upon to grant any such lease, nor shall any land be entered upon, nor any operations commenced within or under the same, until such arrangements shall have been made, at the cost of the company, as regards compensation to holders, occupiers, or others as shall vest in the Government, and enable the Government to hand over to the company the lands, minerals, and privileges to be demised. Provided always, that the Government shall not be bound to include in any such lease any lands not under their immediate control, as to which they may deem it inexpedient to make such arrangements as aforesaid. Every such lease shall contain a covenant by the lessee to compensate all persons, subject to whose estates, interests, or rights such lease shall be granted, for all unavoidable or incidental damage, and to keep the Government indemnified against all claims for such damage.

Clause 7.—Care must be taken not to involve the Government in obligations to hand over land, where, from political or other reasons, it may be found undesirable to interfere with existing rights or raise adverse claims.—*See* Report.

W., B. & Co.,—8-2-84.

8. Every lease shall contain proper powers to the lessee to work the demised premises and to use any part of the surface therein comprised for spoil-banks for the purpose of depositing the output from the mines thereby demised, of whatsoever nature it may be, and to make and construct, on such surface, all buildings, roads, and works, either temporary or permanent, of every kind, for working and carrying on all or any of the mining operations of the lessee.

9. Every lease shall purport to empower the lessee for the purposes of mining, and, with the consent of the Government, to make and use roads over the lands adjacent to the premises comprised in such lease, and to lay down and use rails, sidings, and junctions (but without prejudice to the rights of any railway company), and to use all ways, watercourses, rivers, and rivulets in and throughout the territories of his Highness the Nizam and belonging to the Government, and also a covenant by the lessee to maintain all roads in good repair, which shall be constructed by such lessee on such adjacent lands.

10. In every lease there shall be reserved to the Government all powers, easements, and rights necessary or expedient for working by themselves, or their grantees, in an efficient and usual manner, all mines, fields, beds, deposits of coal, clay, iron, ironstone, limestone, and other minerals, metals, precious stones, mineral oils and mineral substances not comprised in the lease, and whether or not under the same surface as the premises leased, and whether or not originally comprised in the lease.

11. Every lease shall reserve by way of rent royalties on the amount of coal, raw ore, material, or substances won, and such royalties shall be fixed by agreement between a mining engineer to be appointed by the Government, and a mining engineer to be appointed by the lessee, or, in default of their agreement, by an experienced engineer in India or England to be appointed by the Government of India, which said engineers and engineer respectively are hereinafter called the mining board, and the said mining board, in fixing such royalties, shall have regard to the quality of the coal or of the ore, material, or substances to be worked (as for example in the case of iron, whether *hematite*, oxides, carbonates, or otherwise), the percentage of metal in the ore, the selling prices in England and India of coal, iron, or other substance in question, the cost of carriage and all other circumstances, and so that the fixing and determining of such royalties shall be based and founded on the general principle of a fair rent.

Clause 11.—It has been found impossible in the present ignorance of the actual nature and extent of the several mines and minerals which may be included in the Concession to work out the principle of percentages on net profits satisfactorily, and it is therefore proposed to adopt the principle of fair rents or royalties to be settled from time to time by a mining board, in all cases, including coal and iron (*i.e.*, iron ore).—*See* Report.

W., B. & Co.—8-2-84.

12. Every lease (whether of the coal or iron mines hereinbefore mentioned, or of any other mines or mineral substances or materials under the provisions hereinafter contained for

for leases of other mines or mineral substances), shall also contain covenants by the lessee (the word lessee comprehending one or more lessees, their respective executors, administrators, and licensed assigns) to the following effect, so far as applicable to the case of such lease :—

I.—To pay the said assessment ;

II.—To pay the said royalties to be reserved in such lease and to be fixed as hereinbefore provided ;

III.—To work in every year of the said lease up to such a minimum total royalty as shall be fixed *two years subsequent to the commencing of active mining operations,* by the mining board to be constituted as hereinbefore provided.

IV.—To maintain in good order and repair, and to the satisfaction of the Government, all roads, buildings, plant, machinery, and works constructed or used by the lessee or any person claiming under the lessee during the continuance of the lease, except mines incapable of being worked to benefit; but this covenant is to be subject to the power of removal to be granted to the lessee as hereinafter mentioned.

V.—That the lessee, or any person claiming under the lessee, shall not keep any armed retainers, but shall, if necessary, apply for protection to the Government of his Highness the Nizam, who shall engage to afford the same.

VI.—That the lessee, or any person claiming under the lessee, or their respective servants, other than natives of India, shall not have, nor shall such natives, by the permission or sufferance of the lessee, or any person claiming under the lessee, have any monetary transactions with the Government of his Highness the Nizam or the nobles, jagirdars, jemadars, zemindars, or other officials of the Hyderabad State, beyond those provided for in the lease.

VII.—That the lessee, or the executors, administrators, successors or assigns of the lessee will not assign, underlet, or part with the possession of the demised premises, or any part thereof, unless with the previous consent in writing of the Government.

VIII.—That the lessee, and all claiming under the lessee, will during the term and after any section of railway is opened within a reasonable distance in the best and most effectual manner, and to the utmost and on the most approved principles, and with due provision for drainage and ventilation of mines and for the security of life and the maintenance of the value of the property, and without intermission, except when prevented by insuperable accident, work, win, get and raise all the mines, fields, beds, deposits of coal, ore, and other material or substances comprised in the lease (except such as shall not be capable of being worked to benefit), and so far as is consistent with the covenant next hereinafter mentioned.

IX.—That the lessee, and all claiming under the lessee, will not permit or suffer any subterraneous or other excavations to be made under or within a distance to be fixed in each case, and from time to time by the Government mining engineer (and which distance may vary for different depths or different soils) of or any works or operations whatever likely to damage structurally any dwelling-house or building belonging to any person other than the lessee.

X.—That except by the express consent of the Government, no coal, raw ore, or other material or substance raised or gotten from the demised premises shall be removed from the premises for the purpose of sale or otherwise, or converted or used for any other purpose until the particulars thereof have been duly entered and recorded (*together with the amount of the royalties payable*) in respect of the same, but that, in the case of coal and ores, the lessee shall be allowed one-tenth of the actual winnings for colliery consumption and waste.

XI.—That the lessee and the executors, administrators, successors, and assigns of the lessee will, at his or their own expense during the term, erect and continue at the place or each of the places where any coal, raw ore, or other material or substance to be gotten during the term out of the demised premises, shall be raised or brought to the surface, a machine-house or machine-houses, and keep the same in good repair, and set up and continue a weighing machine or machines with proper standard weights of his Highness's State in the machine-house or machine-houses so to be erected, and will at all reasonable times permit any officers and

workmen appointed by the Government in that behalf to have free access to such machine or machines and weights, and make use of, prove, and regulate the same, and will keep the same in good repair, and at the like expense provide proper persons to superintend the same, and will cause all the coal, raw ore, and other material or substances which shall be gotten from the demised premises (whether the same shall be taken away and sold or disposed of, or be used or consumed), to be duly weighed and will cause the weights of all such coal, raw ore, and other material or substances, distinguishing the different classes and qualities to be from time to time entered in proper books of account, to be provided for that purpose by the lessee or the executors, administrators, successors, or assigns of the lessee, and to be kept at the office where such coal, raw ore, and other material or substances respectively shall be raised or brought to the surface, and will not remove, consume, smelt, or dispose of any coal, raw ore, or other material or substances until so weighed and entered, and will permit any persons from time to time appointed in that behalf by the Government at all reasonable times to have free access to the said machine-house or machine-houses and office, and to inspect, cast up, and examine the said books, entries, and accounts, and take extracts or copies of the same, and will permit any person from time to time appointed in that behalf by the Government to be present when the said coal, raw ore, and other material or substances shall be weighed, and also from time to time, as often as such persons shall think proper, to weigh and take account of all such coal, raw ore, and other material or substances respectively, and for that purpose to have the use of the said machines and also the help and assistance of any of the servants or workmen there employed, and the use of the horses, waggons, carts, and other carriages, ropes, tackle, and other implements and machinery employed in or about any of the demised premises without making any compensation for the same.

XII.—That the lessee and persons working under the lessee, the demised premises or any of them will, on the first day of every third calendar month during the continuance of the term, settle and make up full, true, and particular accounts of all coal, raw ore, and other material and substances gotten and raised from the demised premises and of all sales thereof respectively with dates, weights, names, prices, and all such other particulars as the Government shall from time to time require, and also of all rents and royalties that shall have become payable under or by virtue of the lease, and will keep proper working plans with reference to all operations under the lease.

XIII.—That all accounts pertaining to the matters of this Agreement shall be kept in local currency and in such form as the Government shall from time to time prescribe, and a true statement thereof shall be submitted yearly by the lessee to the Government with copies of all the said plans.

XIV.—That the accounts in respect of each of the following classes of minerals and metals shall be kept separately, viz. :—

(A.) Gold and silver.
(B.) Iron ore and stone (of which each separate quality be in a separate class as if separately here specified).
(C.) Coal.
(D.) Precious stones.
(E.) Mineral oils.
(F.) Alum.
(G.) Pottery earth.
(H.) Fireclay.
(K.) Limestone.
(L.) All other clays, metals, minerals and mineral substances (each to be separately classified).

XV.—That all books, accounts, documents, plans, vouchers, and papers relating to any operations under the lease, and also all the mines and works of the lessee, shall at all reasonable times be open to the inspection of any person or persons duly authorised in that behalf by the Government, and that free access and all reasonable facilities for inspecting and taking copies of or extracts from such books, accounts, documents, plans, vouchers, and papers, and for inspecting, measuring, and testing such mines and works, and all information in connection therewith, which shall be required by such person or persons, shall be afforded from time to time to such person or persons by the lessee and all persons claiming under the lessee, provided that the exercise of the rights of inspection, measurement,

measurement, and testing shall be conducted at reasonable hours in the daytime, and in such a manner as not to interfere more than is reasonably necessary with the working of the mines.

XVI.—That the accounts may be audited half-yearly by any duly authorised agent or agents of the Government, who for that purpose shall have power to call for all such books, accounts, documents, plans, and vouchers, as he or they may think proper for the verification thereof.

XVII.—That all pits, shafts, machinery, and works shall be kept properly fenced off so as to protect the public or their cattle, sheep, or animals from the danger of straying thereunto, and that the other lessee, or the executors, administrators, successors, or assigns of the lessee, and all persons working under the lessee, the demised premises or any part thereof will, from time to time within six calendar months next after any pit or shaft shall have been disused, arch over the mouth thereof with good bricks and mortar and will, within six calendar months next after the 1st day of January in every year, either fill up and level such parts of the surface comprised in the lease as shall no longer be required for the operations under the lease, except such parts as the Government may require not to be filled up, stopped, or levelled, or make due compensation to all persons, other than the Government, affected by failure or omission to fill up and level the same, and, at all events, will cause the whole of the surface comprised in the lease to be filled up, stopped, or levelled within six calendar months next after the end or sooner determination of the term created by the lease (except such parts as may be required by the Government not to be filled up, stopped, or levelled), and will, within six calendar months, either reinstate or restore the lands so to be levelled to a state fit for cultivation and herbage, or make due compensation to all persons, other than the Government, affected by failure or omission to so restore and reinstate the same.

XVIII.—That at the expiration or sooner determination of the term the lessee, or those claiming under the lessee, will deliver up to the Government the demised premises, together with all erections and buildings then standing and being thereon, and all fixtures and additions thereto (except such as are by the lease authorised to be removed) in good and substantial repair and working order, and in all respects in such state and condition as shall be consistent with the due performance of the covenants in the lease except as shall be otherwise agreed between the lessee and the Government, and also all agreements between the Government and the lessee.

XIX.—That a special police shall, if required by the lessee, be appointed when necessary to enforce order between the servants of the lessee when engaged in operations on the premises leased and the subjects of his Highness, and that the cost of such police shall be borne in the following proportions, viz., three-tenths by the Government and seven-tenths by the lessee, and that the police force thus constituted shall be placed under the orders of an officer of the Government of India appointed by the British Resident at Hyderabad so long as the Government of India shall consent to such arrangement.

XX.—And also a clause for referring to arbitration any differences or disputes between the Government and the lessee, such clause to be similar (*mutatis mutandis*) to clause 18 hereof.

And also covenants by the Government to the following effect (viz.):—

XXI.—That at the expiration or sooner determination of the term created by the lease or at any time previous thereto the lessee shall be at liberty (subject to the right of persons other than the Government) to remove all engines, boilers, and other machinery and plant of every description belonging to the lessee, which may be or have been in use on the premises therein comprised in connection with any of the operations under the lease, or to sell the same on the spot, subject to the same being first offered to the Government, at a price to be agreed between the lessee and the Government, or in default of such agreement, to be fixed by arbitration under the arbitration clause in the lease.

XXII.—That all machinery, plant, and utensils required for the purpose of executing any works, either temporary or permanent, under the lease, shall be admitted into his Highness's territories free of all fiscal charges and duties whatever payable to his Highness's Government or to any local authorities claiming under his Highness under a title subsequent to this agreement.

XXIII.—That it shall be lawful for the lessee to surrender the lease at any time by giving to the Government 12 calendar months' notice in writing, whereupon all future liability on the part of the lessee shall cease, but without

prejudice to the lessee's liability in respect of any prior breach of covenant.

XXIV.—That if the lessee shall discontinue, or at any time after the granting of the lease, neglect or omit or permit or suffer to be omitted the working of any of the demised mines or premises, but shall not be willing to surrender the lease under the covenant lastly hereinbefore stipulated for, it shall be lawful for the lessee, by giving 12 months' previous notice in writing, to surrender any or any part of such demised mines and premises without the remainder, but including so much of the demised surface as shall thereupon become unnecessary for working the retained mines and premises, and thereupon all future liability on the part of the lessee shall cease as regards the part surrendered (the provisions of the lease being construed distributively), but without prejudice to the lessee's liability in respect of any previous breach of covenant, and upon such surrender the lessee shall grant to the Government all such powers, easements, and rights as may be necessary or expedient for conveniently and efficiently working the surrendered mines and premises.

XXV.—And also a proviso by way of condition that if and whenever any part of the rents or royalties by the same lease reserved or made payable in respect of any property which shall not have been surrendered, shall be in arrear for three months, whether the same shall have been legally demanded or not, or if and whenever the lessee shall discontinue working for any 12 consecutive months any mine or mines upon which active mining operations shall once have been commenced and which shall not have been surrendered under the powers hereinbefore mentioned and referred to, or if the Company shall be wound up or cease to exist, or if and whenever there shall be a breach or non-observance of any of the covenants or agreements by the lessee contained in the same lease, *and the lessees shall fail to make pecuniary compensation to the satisfaction of Government for such breach,* it shall be lawful for the Government to re-enter upon any part of the same premises in the name of the whole, and thereupon the term thereby granted shall absolutely determine except in so far as shall relate to the recovery of any of the rents or royalties thereby reserved or made payable which shall be then in arrear or to the satisfaction of damage for breach or non-observance of any of the covenants or agreements by the lessee contained in the lease so terminated, and that such right of re-entry may be exercised by the Government notwithstanding the waiver by them of any prior forfeiture or forfeitures.

And also such covenants, clauses, and provisions as (not being inconsistent with the clauses hereinbefore specified) shall be usually inserted in leases of a similar character of mines in England.

13. When the railways hereinbefore referred to are completely constructed and in operation and capable of transporting mineral traffic to the necessary extent, the Company hereby agreed to be formed shall provide mineral traffic on the same railways to an extent of a freight of 45,000 *l.* per annum, provided that the railway company gives reasonable facilities for such traffic *and the development and working of the mines produce sufficient for that purpose.*

14. The concessionaires, their executors or administrators, shall not, nor shall the said Company, keep any armed retainers, but shall, if necessary, apply to the Government of his Highness the Nizam for protection, which shall at once be afforded by the Government.

15. The concessionaires, their executors or administrators or their servants (other than natives of India) shall not, nor shall the said Company or its servants (other than natives of India), nor shall such natives by the permission or sufferance of the concessionaires, their executors or administrators, or of the said Company, have any monetary transactions with the Government of his Highness the Nizam, or the nobles, jaghirdars, jemadars, zemindars, or other officials of the Hyderabad State beyond those provided for in these presents.

16. A special police shall, if required by the concessionaires, their executors or administrators, until the transfer of this concession to the Company as hereinbefore mentioned, and after such transfer, then, if required by the said Company, be appointed when necessary to enforce order between the servants of the requesting party while engaged in operations under this concession in the dominions of his Highness and the subjects of his Highness. The cost of such police shall be borne in the following proportions (that is to say): three-tenths by the Government and seven-tenths by the requesting party. The police force thus constituted shall be placed under the orders of an officer of the Government of India appointed by the Resident at Hyderabad so long as the Government of India consent to such arrangement.

17. And this Indenture further witnesseth that, in consideration of the premises, it is further agreed between the parties hereto, the Government binding itself as to the matters to be performed and observed by the Government and the concessionaires binding themselves as to all the matters to be performed and observed either by themselves

selves or the said Company, but subject to the transfer to the same Company of the liability of the concessionaires as before mentioned, as follows: The concessionaires or the said Company shall have from the date of these presents (so far as the Government can grant the same) the exclusive right of prospecting and testing for gold, *silver*, iron, coal, precious stones, precious metals, and other mines and minerals and mineral oils and mineral substances of what kind soever throughout all portions of the territories of his Highness the Nizam until the 31st day of December *1890*, but the concessionaires or the Company shall before exercising such right notify to Government their intention so to do. The concessionaires or the said Company may from time to time, until the said 31st day of December *1890*, select and notify to the Government the selection of (specifying the same) such and so many of any lands, mines, fields, beds, deposits of coal, clay, iron, ironstone, limestone, and all or any other minerals, metals, precious stones, mineral oils, and mineral substances in the territories of his Highness the Nizam (other than those specified in the 3rd article of these presents) as they desire to acquire for the purpose of mining operations, and such notification shall describe the lands selected by reference to the village map or plan relating to the same, and upon any premises being selected as in this clause provided the Government will, from time to time, at the expense of the concessionaires or the Company, but free of any premium or other payments not by these presents expressly provided for, grant to the said Company or their licensed nominees, if any, who respectively shall accept the same without any investigation of, or objection to, the title, a lease or leases of such premises for a term of 99 years from the date of these presents, which lease or leases shall reserve in respect of each mineral or mineral substance to be thereby demised, rents and royalties to be fixed by the said Mining Board on the principle as near as can be, and in the manner provided by clause 11, and contain the same powers and covenants (*mutatis mutandis*) as are hereinbefore provided with respect to the premises to be selected under the provisions of the 3rd article of these presents, and the other stipulations of these presents shall apply to the premises to be selected pursuant to the provisions of this clause in like manner as to the premises to be selected under the said 3rd article and as fully as if such stipulations were herein repeated, and all such other provisions shall be inserted in such lease or leases as in the opinion of the Mining Board may be required having regard to the peculiar nature of the minerals or mineral substances to be therein comprised. The concessionaires or the said Company shall be at liberty to defer and shall not be required to exercise their right of prospecting and testing at any time before the 1st day of June *1887*, but from the date of their application for leave to exercise such right, they shall be liable to pay to the Government up to the 31st day of December *1890*, by equal quarterly payments, and as the consideration for such exclusive rights to prospect and test, the yearly sum of 1,00,000 British rupees, from which there shall be deducted any royalties paid to the Government under any lease granted pursuant to the provisions in this paragraph contained.

18. If any dispute or difference shall arise between the concessionaires or their executors or administrators, or the Company to be formed as hereinbefore is mentioned on the one hand and the Government on the other hand concerning this concession, or the interpretation thereof, or the rights or liabilities of either party hereunder, such dispute or difference shall be referred to a Board of Arbitration, one member of which shall be appointed by the Government, and the other by the other party to the dispute or difference, and the duty of the said Board shall be to inquire into and equitably adjust and determine such dispute or difference, and if unable to do so by reason of difference of opinion among the members thereof, or for any other reason, to refer the same difference or dispute to an umpire to be appointed by the mutual consent of the said Board in each case before they proceed to arbitration, or in case the Board shall not, within 14 days after the dispute or difference shall have been referred to them, have appointed the said umpire, the appointment of an umpire may be made upon the application of either party by Her Majesty's Secretary of State for India, and the decision of such Board, or in the event of their not arriving at a decision as aforesaid, the decision of such umpire, shall be final, and binding upon both parties, and no appeal shall lie therefrom, and upon every such reference the Board of Arbitration and Umpire shall respectively have power to examine witnesses upon oath or affirmation and to fix, settle, and determine the amount of the cost of the reference and award respectively or incidental thereto to be paid by both parties, or by either party, and to direct and award when and by whom such costs shall be paid. In matters not otherwise herein provided for, the provisions of the Common Law Procedure Act, 1854, and the Acts amending the same shall (*mutatis mutandis*) have effect in relation to every arbitration under this Indenture.

In witness, &c.

I agree to this draft as it now stands on behalf of William Clarence Watson and John Stewart.

(signed) *C. A. Winter*,
Constituted Attorney for W. C. Watson and J. Stewart.

Hyderabad, 7 January 1885.

I agree to this draft with modifications* shown in red, which bear my initials, on behalf of his Highness's Government.

8 January 1885. (signed) *Salar Jang.*

* NOTE.—These are represented by italics in the printed copies.—*J. A. C.*

Enclosure 2, in No. 4.

From *H. M. Durand*, Esq., C.S.I., Secretary to the Government of India, Foreign Department, to the Resident at Hyderabad, dated Rawal Pindi, 11th April 1885, No. 106 C.

I AM directed to acknowledge the receipt of your letter, No. 131 of the 4th February 1885, submitting a draft agreement between his Highness the Nizam and Messrs. Watson and Stewart relative to mining rights in the Hyderabad State.

2. In reply I am first to observe that the arrangements described in this agreement should have been made through you, instead of being settled directly by the Nawab Salar Jang with the representative of the English Company. The Governor-General in Council therefore desires you to take an early opportunity of explaining to the Nizam, in a personal interview, that direct negotiations of this nature conflict both with the true interests of his Highness's State and with the policy of the British Government, and that they must not be undertaken in future.

3. The draft agreement has been carefully considered by the Government of India, and its provisions appear, subject to the following remarks, to be generally suitable. But the proposed concessions are so various and extensive that there seems to be some reason to fear lest the project of the greatest immediate importance may be obscured and delayed if the agreement is accepted in its present shape. This project is the development of the Singareni coal-fields. The value of the coal there is beyond doubt; and if the fields are efficiently and promptly worked, they will not only supply the railways of Southern India, but will provide a large and profitable traffic for the new railway extension from Hyderabad, which may be expected to be nearly open and ready to take coal about two years hence. It therefore seems desirable to give prominence in the agreement to the early working of the Singareni coal-fields.

4. There are other points in the agreement to which exception may be taken. The proposed prospecting fee of one lakh, for instance, appears to be far too heavy. And while the Hyderabad authorities are quite right in wishing to secure a genuine company, it must be remembered that the resources of Hyderabad territory are limited in nature and accessibility; and that too severe conditions are likely to prevent any practical or commercially successful results.

5. Under these circumstances the Governor-General in Council is disposed to think that the draft agreement may with advantage be modified in certain particulars. I am accordingly directed to forward two memoranda (marked A and B), one of which describes the alterations suggested, while the other explains the grounds upon which they are recommended. I am to request that you will recommend to the Minister and to the Agent of the Company that the agreement may be concluded on these terms, which are, in the opinion of the Government of India, much more satisfactory than the provisions of the draft agreement as received.

6. I am to request an early reply to this letter.

7. The draft agreement forwarded by you is returned, and two printed copies of it are enclosed for your use.

MEMORANDUM A., showing Alterations proposed in the Draft Mining Agreement.

Clause 1.—The concessionaires will form a company limited by shares, before the 1st January 1886, with a capital of not less than 1,000,000 *l.*, with the object of acquiring the rights of the concessionaires.

Clause 2.—Before the 1st January 1886 a first issue of shares to the amount of 100,000 *l.* shall have been taken up and 25,000 *l.* actually paid up, and on the company agreeing to the terms of the concession as now drafted, the concessionaires will be released and the caution money (100,000 *l.*) mentioned in the preamble will be returned to them. Money for prospecting to the extent of 20,000 *l.* may in the meantime be withdrawn for the purpose of prospecting as contemplated by the later (17 and 18) clauses of the agreement. No leases will be given until the company has been formed and shares subscribed, &c., as stated in the earlier part of this clause.

Clause 3.—The first object of the company thus constituted will be to work the coal-field at Singareni. They will, when duly constituted, arrange as specified in clauses 4 to

to 12 below for the occupation of the site and opening up the mine in such a manner that they will be in a position to supply (if so required) not less than 500 tons of good coal per week by the date of the opening of the railway communication to either Hyderabad or Bezwara, or by the 30th June 1888 at latest.

Clause 3 (*a*).—As clause 3 of draft with the omission of *Singareni* from the list of coal mines from which selection may be made. *Singareni iron mines* will be retained in the list.

Clauses 4 to 10.—No alterations proposed.

Clause 11.—The lessee shall pay royalty on the produce of the mines.
The rate for each mine and mineral, except as specified in clause 11 (*a*) below, shall be fixed at time of making the first sales of the produce, and shall be payable on the quantities actually sold. The rate will be fixed by a Mining Board, as contemplated in the original draft.

Clause 11 (*a*).—In the case of the Singareni coal-field the rate of royalty on quantities sold shall, if the sales be less than 100,000 British tons per annum, be fixed at 8 annas per ton; any excess over the above quantity may be charged with a higher rate of royalty up to a limit of one rupee per ton.

Clause 12, i. and ii.—No change proposed.

iii.—Omit.

iv. to xxv.—No alteration proposed.

Clause 13.—When the railways before referred to are in operation, the mining company or their lessees shall sell to such railways coal sufficient for the *bonâ fide* requirements of this traffic at special rates that shall not be less than 30 per cent. below the rates of sale to the outside public, and the railway company will on their part engage to carry the produce of the mines that may be sold to foreign railways at 30 per cent. below the ordinary quotations for the same classes of traffic.

Clauses 14 to 16.—No alterations proposed.

Clause 17.—The concessionaires or their company shall have the exclusive right of prospecting for precious metals and stones, and mineral oils and substances within the Nizam's territory until the 31st December 1890, and may from time to time specify and select the mines and minerals which they propose to work, and to the leases then given the provisions of the earlier clauses of this agreement will apply. This right to prospect need not be exercised before the 1st June 1887, but may be availed of at any time before that date. From the date on which notice of an intention to prospect is given, the concessionaires or their company render themselves liable to a payment of 25,000 rupees per annum, and at time of giving notice will deposit a sum of 50,000 rupees, which will be forfeited if no active operations shall by the 31st December 1890 have resulted from their prospecting.

Clause 18.—No alteration proposed.

MEMORANDUM B., explaining the Reasons for Alterations proposed in the Draft Mining Agreement.

It is considered advisable to adhere to the general lines of the draft agreement, both to save time, and also because the paper has been well drawn up and the terms of the concession are generally accepted both by the Nizam's Government and by Messrs. Watson and Stewart. The modifications that are suggested in the annexed paper are considered necessary for the following reasons:—

(*a*) That there is no express stipulation for the opening out of the Singareni coal-field, which is necessary for the economical work of the Hyderabad railways and of the foreign lines that can be served from it.

(*b*) That some of the provisions are owing to local circumstances unworkable and unfair to the concessionaires.

With reference to (*a*) it may be explained that the Singareni coal-fields have been proved, and it has been ascertained that there are some square miles of good steam-coal at a moderate depth from the surface. The country from Singareni to Bezwara and Hyderabad has been carefully examined, with the result that no indications of coal have been found. On the early working of the coal-fields at Singareni therefore depends a supply of native coal to supplant the expensive foreign fuels now used for working the railways of Southern India, and to supply the new lines that are now under construction in the Nizam's territory with those already in operation and the foreign lines with which they are connected. As the draft agreement made no provision for the immediate opening up of this valuable property, it has been considered

advisable to alter the earlier clauses (1 to 4) of the agreement to provide for this omission.

The following explanations are given of the alterations:—

Clause 1.—The date of forming the company has been put forward from the 1st January 1889 to the 1st January 1886.

Clause 2.—The first issue of shares has been reduced from 250,000 *l.* to 100,000 *l.*, and the paid-up capital from 100,000 *l.* to 25,000 *l.* This has been done to meet the immediate requirements of the opening of the Singareni coal-fields which, judging from the circumstances of existing coal companies in Bengal, can be efficiently worked with a subscribed capital of the amount proposed in the altered clause.

The nominal capital is left as originally drafted in the Clause I., as it is contemplated that further issues of shares will be made in the event of iron or steel works being started at Singareni, or the mineral wealth of the province being developed at other sites.

The same object might have been equally well attained by the construction of separate companies, one to work the Singareni coal-fields with a moderate capital, and another or others to undertake the other operations, but the proposals now made were preferred as being more in accordance with the spirit of the draft agreement.

The amount that can be withdrawn for prospecting has been lessened from 75,000 *l.* to 20,000 *l.*, as it is not probable that a large sum can be spent for such a purpose before the date now proposed for the constitution of a company.

Clause 3.—This new clause has been inserted in this place to ensure the early opening of the Singareni coal mine, and in this position, because it naturally precedes a reference to other mines. The stipulation in the latter part of the clause is workable and fair.

Clause 3 (*a*).—Is the same as the draft clause 3, omitting only the Singareni coal-field.

Clause 11.—This clause, as drafted, and in connection with clause 12 (iii), contemplated that a rate of royalty should be fixed for each mine separately by experts, and that at the end of two years' active operations a minimum sum should be fixed to be paid, whether earned or not. This is wrong in principle, and would assuredly defeat its object in practice. The royalty should be considered as the part of the share of the profits of working that can be fairly claimed by the State, and as it can only be fairly claimed when the produce has been sold, the exaction of a minimum yearly payment would, if the working company were unable from any cause to sell their produce, hasten their ruin. The amended clause postpones the fixing of the royalty rate until the time when the experts will be in a position to judge of the circumstances of the mine, and specifies that the fee shall be levied on the quantities actually sold. As the company's books are always open to inspection, and the produce will in every case be removed by rail, there can be no difficulty in ascertaining and testing the sale returns.

Clause 11 (*a*).—Suggests rates of royalty for Singareni coal. The rates are not excessive, and are based on a consideration of the probable cost of working. The cost of plant, supervision, &c., will not be increased by an additional output, and it appears fair that the State should share in the increased prosperity of the company.

Clause 12 (iii).—For reasons stated in connection with Clause 11, it is proposed to omit this provision.

Clause 13.—The idea of this clause as drafted was that the mining company should engage to provide traffic for the railway sufficient to pay 1 per cent. on the capital invested in the railways. The mining company was to undertake to develop certain mines, and connect them with the railway by an unknown date, and to supply a stated amount of traffic whether their goods were in request or not. Such an undertaking could never have worked for all time, and was essentially impractical. The altered clause will fulfil the requirements in a more practical manner.

Clause 17.—By this clause the concessionaires or their company engage to pay for the exclusive right of prospecting for precious stones and minerals up to the end of the year 1890. This is the speculative part of the whole agreement. The Nizam's Minister (the late Sir Salar Jung) evidently thought the concession a very valuable one, and that 2½ lakhs of rupees per annum was the least figure to be placed on it. Messrs. Watson and Stewart, on the other hand, appear to have expected that they would have to pay nothing beyond the actual cost of prospecting which, judging from the figure given in clause 2 of the draft agreement, would be a sufficiently heavy expenditure. The sum entered in the draft clause 17, 1,00,000 rupees per annum, is said to be a special favour to Messrs. Watson and Stewart. The clause necessitated the payment of a minimum sum of 3½ lakhs of rupees which, in addition to the cost of prospecting and proving the mines when found, would be a burden on the capital of the company which might seriously affect its commercial success. It was stated that the yearly fee would cover any royalty that might become payable from this set of mines during the time allowed for prospecting. It would appear preferable to divide the charges, naming a definite sum per annum to be paid for prospecting,

prospecting, and leaving the royalty to be settled under the clauses which provide for it. The last sentence of clause 17 as now proposed should be a sufficient safeguard against perfunctory prospecting.

Enclosure 3, in No. 4.

From *J. G. Cordery*, Esq., B.C.S., Resident at Hyderabad, to *H. M. Durand*, Esq., C.S.I., Secretary to the Government of India, Foreign Department; dated Hyderabad Residency, 31st August 1885, No. 24.

I HAVE the honour to acknowledge the receipt of your letter, No. 106-C., dated the 11th April 1885, regarding the draft agreement between his Highness the Nizam and Messrs. Watson and Stewart relative to mining rights in the Hyderabad State.

2. In reply, I have the honour to inform you that I submitted the two memoranda which formed enclosures to your letter under reply, and which contained several alterations suggested by the Government of India in the draft agreement, for the consideration of his Highness's Government and the agent of the company.

3. Mr. Winter, who is the attorney in India of Messrs. Watson and Stewart, concurred generally in the proposals, with the exception of one point which will appear hereafter.

4. There has been some delay in ascertaining the views of his Highness's Government, but I received a day or two ago a letter from Nawab Salar Jang accepting some of the suggestions made by the Government of India, and rejecting others. I enclose a copy for the information of his Excellency the Governor General in Council.

5. Clause 1.—The date for the formation of the company was originally fixed at the 1st January 1889. The Government of India put it forward to the 1st January 1886 in order to ensure the early working of the Singareni coal-fields. Mr. Watson urged the impossibility of forming the Company by the latter date, and suggested as an alternative "any date within six months after the capital for the construction of the line from Warangal to Singareni is practically assured." This has been accepted by his Highness's Government. The proposal appears to me to be a reasonable one, and it will meet the requirements of the Government of India.

6. Clause 2.—In the original draft the first issue of shares was fixed at 250,000 *l.* with 100,000 *l.* paid up. This was reduced by the Government of India to 100,000 *l.* with 25,000 *l.* His Highness the Nizam's Government for reasons stated in Salar Jang's letter decline to assent to a reduction below 150,000 *l.* with 75,000 *l.* paid up. The reasons given appear to me to have considerable force, especially when it is considered that the formation of the company is postponed to a date later than that fixed by the Government of India. The same reason affects the proportion of the caution money which may be withdrawn for prospecting purposes.

7. Clauses 3 and 3*a*.—The alteration by the Government of India giving special prominence to the working of the Singareni coal-fields is accepted without reserve. t is possible that the non-acceptance by his Highness's Government of the date proposed by the Government of India for the formation of the company may necessitate some modification of the date in the last portion of Clause 3. Curiously enough the Singareni coal mine has been omitted from the printed copy of the agreement filed in this office while it is included in the manuscript.

8. With regard to Clause 11 and Clause 12 III., the Nizam's Government adhere strongly to the view that in all cases a minimum royalty should be fixed for each mine worked *after* it has been open for two years. They assert that this is the invariable custom elsewhere, and that it is a precaution necessary to prevent undue holding up of the outturn, as well as to ensure active working of the mine itself. They therefore decline to accept the modifications which would do away with this safeguard, though they agree to the rates at which the royalties should be calculated at Singareni. They are also willing to leave the company an opportunity of making over any mine to Government if it is found that it cannot be worked at a profit with the fixed minimum. It seems to me that it would be preferable to allow a revision of the minimum rates every fifth year, if either side make an appeal to the Board with this object.

9. Clause 13.—The alteration suggested by the Government of India has been accepted by his Highness's Government. A reference to the railway company will of course be necessary.

10. Clause 17.—A prospecting fee of one lakh of rupees per annum was originally fixed. The Government of India proposed to reduce this to 25,000 rupees *plus* a penalty of 50,000 rupees to be forfeited if no active operations result from the prospecting by 31st December 1890. His Highness's Government give their reasons for not wishing the fee reduced below 50,000 rupees per annum with the penalty. They have always

formed to my mind an exaggerated estimate of this concession; and even now I should personally be glad to see no penalty attached to unsuccessful prospecting.

11. The instructions contained in paragraph 2 of your letter under reply have been carried out.

Enclosure 4, in No. 4.

From Nawab *Salar Jang*, Minister to His Highness the Nizam of Hyderabad, to *J. G. Cordery*, Esq., C.S., Resident at Hyderabad; dated Hyderabad, 10th August 1885 (demi-official).

I BEG to acknowledge the receipt of your letter of the 6th May, and to convey the thanks of his Highness's Government for the great interest taken by the Government of India in the scheme for the development of the resources of his Highness's territories.

His Highness's Government have given their careful consideration to the several propositions made by the Government of India, and I now beg to record the result of their deliberations.

It is proposed to modify the original draft in a few important particulars, the concession being more favourable to the company than was contemplated in the draft which had been agreed to by Mr. Winter, the constituted attorney of the concessionaires in India, but as the object of the Government of India is to bring about the floating of a practical scheme, his Highness's Government has assented, as far as possible, to the suggestions contained in the printed memorandum A. accompanying your letter under reply, showing alterations proposed in the Draft Mining Agreement.

Clause 1.—As the company cannot well be floated by the 1st January 1886, Mr. Winter's proposal to substitute for that date the words "at any date within six months after the capital for the construction of the line from Warangal to Singareni is practically assured" may be inserted.

Clause 2.—The Government of India suggest that the first issue of shares be reduced from 250,000 *l.* to 100,000 *l.*, and the paid-up capital from 100,000 *l.* to 25,000 *l.*, because they consider that the Singareni coal-fields can be efficiently worked with a subscribed capital of the reduced amount. But the Singareni coal-fields are not the only mines to be developed, for the company will have a monopoly of all mines in his Highness's territories, including gold and precious stones, which can be worked at once. It seems desirable therefore that the soundness of the company should be fully secured, for when the project passes out of the hands of the concessionaires, the company that will be formed may not (as past experience proves has sometimes been the case) be able to raise further capital when required, and the inevitable result will be the locking up of the mineral resources of his Highness's territories. A safeguard is therefore absolutely necessary, and, so far as his Highness's Government can judge, the only way to avert such a termination is to secure the issue of a sufficient number of shares in the first instance. His Highness's Government would not therefore feel justified in reducing the first issue of shares to less than 150,000 *l.*, or the paid-up capital, which, as stated in my letter of the 14th January to Mr. Cuningham, was necessary to secure the soundness of the undertaking, to less than 75,000 *l.* His Highness's Government quite agrees with the Government of India that the withdrawal of 75,000 *l.* from the deposit for prospecting is hardly necessary; but it would perhaps be well to let this amount stand at 50,000 *l.*, so as to give the concessionaires every opportunity of thoroughly prospecting during the period allowed.

Clause 3.—The thanks of his Highness's Government are due to the Government of India for their forethought in providing that the working of the Singareni coal-fields shall not be delayed, and they therefore most willingly accept proposed Clause 3 and the consequent alteration in Clause 3 (*a*), viz., the omission of "Singareni coal-fields."

Clause 11.—The object of fixing a minimum sum to be paid as royalty at the end of two years' active mining operations, was to secure the constant working of the mines. If royalty is payable only on the quantities of minerals *sold*, what is to prevent the company either stopping work altogether for want of funds, or storing their coal or iron and refusing to sell when the market for those commodities is low? In either case the clause would operate to the disadvantage of His Highness's Government, who would therefore prefer Clause 11 as it stands, in which case the omission of Clause 12 (III.) will not be necessary.

This Government is most anxious to do nothing that will ruin the Mining Company, and lest the clause should operate hardly on the company, I am to suggest the insertion of a proviso to the effect that the company may, if threatened with loss by the commodities being unsaleable, be at liberty, by giving a year's notice, to transfer to the Government such mines as they are unable to work profitably.

Clause 11 (*a*).—His Highness's Government agree to the rates suggested for Singareni coal, but the royalty should be levied as laid down in Clause 11, and not on quantities sold.

Clause

Clause 13.—As stated by the Government of India, the altered clause, whereby the company engage to supply the railway company with "coal sufficient for the *bonâ fide* requirements of their traffic," will fulfil requirements in a more practical manner, and the mutual concession to be made by the railway mining companies will, I feel sure, be cheerfully agreed to by both.

Clause 17.—His Highness's Governmeut quite concur in the desirability of altering this clause as suggested, and as the Government of India consider a prospecting fee of one lakh of rupees a severe condition, this Government is willing to still further reduce it from 1,00,000 rupees to 50,000 rupees. His Highness's Government would not be justified in making any further reduction in this item, because it was the intention of the late Minister to demand a fee of 25,000 *l.*, or about Government rupees 3,00,000. The fee cannot be regarded as excessive, as the concession is without doubt a very valuable one, taking in, as it will, the diamond and gold mines in existence, and I feel convinced that his Highness's Government could readily, owing to the known existence in his Highness's territory of coal, iron, gold, and diamonds, secure far better terms than those offered by Messrs. Watson and Stewart, which, as stated in my letter to Mr. Cuningham, dated the 14th January, were accepted in consideration of the very valuable services rendered by Mr. Watson.

Enclosure 5, in No. 4.

From *H. M. Durand*, Esq., C.S.I., Secretary to the Government of India, Foreign Department, to the Resident at Hyderabad, dated Simla, 25th September 1885, No. 3316 I.

I AM directed to reply to your letter, No. 24, dated the 31st August 1885, regarding the mining agreement which his Highness the Nizam proposes to conclude with Messrs. Watson and Stewart.

2. The date for the formation of the company may be "any date within six months after the capital for the construction of the line from Warangal to Singareni is practically opened."

3. The first issue of shares may be 150,000 *l.*, with 75,000 *l.* paid up.

4. A minimum royalty may be fixed for each mine which is worked after it has been open for two years. In the case of the Singareni coal-field the rate of royalty on quantities sold will be 8 annas per ton if the sales are less than 100,000 British tons *per annum*, and any excess over that quantity will be liable to a higher rate, up to a limit of 1 rupee per ton. The Government of India, however, concur in your opinion that the other minimum rates should be subject to revision every fifth year, if either party desires to make a reference to the Mining Board with this object; and you should advise the Hyderabad Darbar to accept this suggestion, unless the negotiations would thereby be delayed.

5. The Government of India do not agree with Nawab Salar Jang as to the prospecting fee, and are disposed to think that it might prove to be oppressive even when reduced to 50,000 rupees per annum, with a penal deposit of the same amount. The point need not, however, be pressed.

6. It is understood that the agent of Messrs. Watson and Stewart is contented with the agreement as now revised; and the Governor-General in Council therefore hopes that you will be at once able to effect an authoritative and formal settlement of the transaction. I am to repeat that the project of the greatest immediate importance is the development of the Singareni coal-fields; and delay in this matter will be specially mischievous in retarding the progress of the new railway.

Enclosure 6, in No. 4.

From *J. G. Cordery*, Esq., C.S., Resident at Hyderabad, to *H. M. Durand*, Esq., C.S.I., Secretary to the Government of India, Foreign Department, dated Hyderabad Residency, 12th January 1886, No. 128.

I HAVE the honour to enclose a copy of the deed as finally executed by Nawab Salar Jang-on behalf of his Highness the Nizam's Government, and by Mr. C. A. Winter as representative of Messrs. Watson and Stewart, for the concession of mining rights in his Highness's dominions.

2. The terms of this agreement have been already so thoroughly canvassed, and the views of the Government of India have been given in so full detail, that nothing more seems needed than this record of its execution. The only point in which the changes suggested by the Government of India have been slightly modified occurs in Section 11A, where, on the urgent representations of both parties to the covenant, I have allowed the substitution of the word "won" for "sold." As three months' credit is allowed the company for payment of their royalties, the substitution of this word is practically unimportant.

THIS INDENTURE made the 7th day of January 1886, BETWEEN NAWAB MIR LAIK ALI KHAN BAHADUR SALAR JUNG MUNIR-UD-DAOLAH MUKHTAR-UL-MULK IMADAS SULTANA, PRIME MINISTER TO HIS HIGHNESS THE NIZAM, acting on behalf of the Government of his Highness the Nizam (hereinafter referred to as "the Government") of the one part, and WILLIAM CLARENCE WATSON, of No. 7, Great Winchester-street, in the City of London, merchant, and JOHN STEWART, of No. 26, Throgmorton-street, in the said City, Esquire (hereinafter referred to as the Concessionaires) of the other part: WHEREAS the concessionaires having, on the 7th day of November 1882, made a proposal in writing to the Government for the grant to them of such concession as therein mentioned, deposited at the National Provincial Bank of England, in the joint names of the concessionaires, a sum of 100,000*l.* as caution money, subject to certain terms and conditions agreed between the parties hereto: AND WHEREAS by an Edict in writing, dated the 2nd day of June 1883, duly executed by the Council of Regency of his Highness the Nizam at Hyderabad, Saiad Abdul Hak Sardar Diler Jung Sardar Diler-ud-Doula Bahadur, C.I.E., the agent of the Government was, amongst other things, fully authorised and empowered on behalf of the Government to enter into, sign, and execute all necessary deeds and papers for granting a mining concession to the concessionaires: AND WHEREAS by a letter dated the 5th day of July 1883, addressed by the Under Secretary of State for India to the said Saiad Abdul Hak Sardar Diler Jung Sardar Diler-ud-Doula Bahadur the said Sardar was authorised to act upon the instructions so given to him as aforesaid by the said Council of Regency at Hyderabad: AND WHEREAS a railway company has lately been formed under the Company's Acts, 1862 to 1880, having for its objects (among other things) the construction of a railway from Hyderabad to Warangal, and thence to the southern frontier of the State of Hyderabad, near Bezwada, and from Warangal to the northern frontier of the said State, near Chanda: AND WHEREAS the said Saiad Abdul Hak Sardar Diler Jung Sardar Diler-ud-Doula Bahadur has given a general acceptance of the proposal to grant to the concessionaires the concessions hereinafter contained: NOW THIS INDENTURE WITNESSETH that in consideration of the premises, it is hereby agreed between the said parties hereto, the Government binding itself as to the matters to be performed and observed by the Government, and the concessionaires binding themselves as to all the matters to be performed and observed either by themselves or by the company to be formed as hereinafter mentioned, but subject to the transfer to the same company of the liability of the concessionaires, as hereinafter mentioned, as follows:—

1. The concessionaires, or their respective executors or administrators, shall on any date within six months after the capital for the construction of the line from Warangal to Singareni is practically assured form in London under the Companies Acts, 1862 to 1880, a company limited by shares with a capital of not less than 1,000,000*l.* with powers to increase the capital by an issue of debentures or otherwise if necessary, and having for or among its objects the acquisition of the rights and liabilities of the concessionaires under these presents and the execution of the works herein referred to.

2. If such a company shall be formed before the expiration of the period fixed in Clause 1, and if before that period 150,000*l.* of its share capital, at the least, shall have been subscribed for, and 75,000*l.* shall have been actually paid up in respect of the subscribed share capital, and if such company shall also before the said period have adopted this concession, and made itself liable to make the payments mentioned in Clause 11 hereof, and in all other respects liable upon these presents to the same extent as the concessionaires were or would be liable, then it shall be lawful for the concessionaires to transfer to such company the benefit of this concession, and upon such transfer being effected and notified to the Government before the expiration of the period named in Clause 1, all liability of the concessionaires to the Government hereunder shall cease, and the said deposit of 100,000*l.* shall be released to the concessionaires, subject to the deduction of any monies then due from them to the Government. Until so released the same sum of 100,000*l.* shall remain deposited as aforesaid. Provided always that 50,000*l.* of such 100,000*l.* may from time to time be withdrawn, and used for the purposes of prospecting and obtaining specimens of ores, coal, and other deposits, but that no actual mining operations shall be commenced, nor shall any obligation be entailed on the Government to grant any lease under these presents until the company hereby agreed to be formed shall have been registered, and such proportion of its share capital as aforesaid paid up.

3. The first object of the company thus constituted will be to work the coal-field at Singareni. They will when duly constituted arrange, as specified in Clauses 4 to 12 below, for the occupation of the site and opening up the mine in such a manner that they will be in a position to supply (if so required) not less than 500 tons of good coal per week by the date of the opening of the railway communication to either Hyderabad or Bezwara, or by the 30th June 1888 at latest.

3*a*. At any time or times, and from time to time, until the 1st January 1890, the said company to be formed as aforesaid may without payment to the Government from time to time select and notify to the Government the selection of such and so many of the following coal and iron mines and beds in his Highness's territories, namely, the Singareni iron mines,

mines, the Kamman coal and iron mines, the Sasti coal and iron mines, the Paoni coal and iron mines, the Nirmal coal and iron mines, the Hanamkonda coal and iron mines, the Yelgandal coal and iron mines, and the Medak coal and iron mines, as the said company may wish to acquire for mining operations, and on which the said company shall be prepared to commence within two years from selection or from the opening of a section of the proposed railway within reasonable distance, whichever shall first happen, active mining operations conformably with the terms of these presents. Every such notification shall describe the premises therein referred to by reference to the village plan or map relating to the same or otherwise with sufficient certainty. Provided that this power of notifying shall not extend to any mines or minerals which have once been leased in pursuance of this concession, and have been surrendered, abandoned, or forfeited, as hereinafter mentioned. Provided also that no lands shall be taken without the previous consent of the representatives of the Government being first obtained.

4. Upon any such premises as aforesaid being selected and notified as aforesaid, if the concessionaires and the said company shall up to that time have fully observed and performed their part of the said agreement, the Government will from time to time, at the expense of the concessionaires or the company, but free of any premium or other payment not herein expressly provided for grant to the company or their licensed nominees (if any), and the said company or their licensed nominees shall accept without any investigation of or objection to the title to such premises a lease of such premises for a term of 99 years from the date of these presents upon and subject to the terms and conditions hereinafter referred to. Any number of mines may, at the option of the said company, be comprised in any one and the same lease. The Government shall not be bound to grant any lease to any nominee or assignee of the said company, but only to the said company, but the Government will not, as a rule, withhold its sanction to the grant of any lease by the company, unless the proposed lessee or assignee be not considered sufficiently solvent.

5. There shall be included in every such lease so much surface as shall be necessary for spoil-banks for the purpose of depositing the output from the mines and for constructing buildings, roads, and works for carrying on mining operations under the lease, the quantity and position of such lands (in case of dispute) to be settled by arbitration under Clause 18 hereof, provided that no surface land shall be taken for smelting, or any other purpose, than getting and carrying away the raw ores and other substances gotten from the demised premises unless by special arrangement with the Government.

6. Every lease shall be granted and taken subject to the payment of the rate of land assessment usually payable in respect of similar lands in his Highness's dominions.

7. The privileges intended to be hereby granted shall be taken to be subject to the estates, interests, and rights (if any) in or to the premises to be comprised in any such lease as aforesaid of all persons (other than the Government and persons claiming under the Government by any grant of the Government of later date than the date hereof), and the Government shall not be called upon to grant any such lease, nor shall any land be entered upon, nor any operations commenced within or under the same, until such arrangement shall have been made, at the cost of the company, as regards compensation to holders, occupiers, or others, as shall vest in the Government, and enable the Government to hand over to the company the lands, minerals, and privileges to be demised. Provided always, that the Government shall not be bound to include in any such lease any lands not under their immediate control as to which they may deem it inexpedient to make such arrangements as aforesaid. Every such lease shall contain a covenant by the lessee to compensate all persons subject to whose estates, interests, or rights such lease shall be granted for all unavoidable or incidental damage, and to keep the Government indemnified against all claims for such damage.

8. Every lease shall contain proper powers to the lessee to work the demised premises, and to use any part of the surface therein comprised for spoil-banks for the purpose of depositing the output from the mines thereby demised, of whatsoever nature it may be, and to make and construct on such surface all buildings, roads, and works, either temporary or permanent, of every kind for working and carrying on all or any of the mining operations of the lessee.

9. Every lease shall purport to empower the lessee, for the purposes of mining, and with the consent of the Government, to make and use roads over the lands adjacent to the premises comprised in such lease, and to lay down and use rails, sidings, and junctions (but without prejudice to the rights of any railway company), and to use all ways, watercourses, rivers, and rivulets in and throughout the territories of his Highness the Nizam, and belonging to the Government, and also a covenant by the lessee to maintain all roads in good repair which shall be constructed by such lessee on such adjacent lands.

10. In every lease there shall be reserved to the Government all powers, easements, and rights necessary or expedient for working by themselves, or their grantees, in an efficient and usual manner, all mines, fields, beds, deposits of coal, clay, iron, ironstone, limestone, and other minerals, metals, precious stones, mineral oils, and mineral substances not comprised in the lease, and whether or not, under the same surface as the premises leased, and whether or not originally comprised in the lease.

 11. Every

11. Every lease shall reserve, by way of rent royalties on the amount of coal, raw ore, material, or substances won, and such royalties shall be fixed by agreement between a mining engineer to be appointed by the Government, and a mining engineer to be appointed by the lessee, or, in default of their agreement, by an experienced engineer in India or England, to be appointed by the Government of India, which said engineers and engineer respectively are hereinafter called the Mining Board, and the said mining board, in fixing such royalties, shall have regard to the quality of the coal, or of the ore, material, or substances to be worked (as, for example, in the case of iron, whether hematite, oxides, carbonates, or otherwise), the per-centage of metal in the ore, the selling prices in England and India of coal, iron, or other substance in question, the cost of carriage, and all other circumstances; and so that the fixing and determining of such royalties shall be based and founded on the general principle of a fair rent. The company may, if threatened with loss by the commodities being unsaleable, be at liberty, by giving a year's notice, to transfer to the Government such mines as they are unable to work profitably.

11. (*a.*)—Provided that, in case of the Singareni coal field, the rate of royalty shall be computed on quantities won, and shall, if the sales be less than 100,000 British tons per annum, be fixed at eight annas per ton, any excess over the above quantity may be charged with a higher rate of royalty up to a limit of one rupee per ton.

12. Every lease (whether of the coal or iron mines hereinbefore mentioned, or of any other mines, or mineral substances, or materials, under the provisions hereinafter contained, for leases of other mines, or mineral substances) shall also contain covenants by the lessee (the word lessee comprehending one or more lessees, their respective executors, administrators, and licensed assigns) to the following effect, so far as applicable to the cases of such lease :—

I.—To pay the said assessment.

II.—To pay the said royalties to be reserved in such lease, and to be fixed as hereinbefore provided.

III.—To work in every year of the said lease up to such a minimum total royalty as shall be fixed two years subsequent to the commencing of active mining operations by the mining board to be constituted as hereinbefore provided.

IV.—To maintain in good order and repair, and to the satisfaction of the Government, all roads, buildings, plant, machinery, and works constructed or used by the lessee, or any person claiming under the lessee, during the continuance of the lease, except mines incapable of being worked to benefit, but this covenant is to be subject to the power of removal to be granted to the lessee as hereinafter mentioned.

V.—That the lessee, or any person claiming under the lessee, shall not keep any armed retainers, but shall, if necessary, apply for protection to the Government of his Highness the Nizam, who shall engage to afford the same.

VI.—That the lessee, or any person claiming under the lessee, or their respective servants, other than natives of India, shall not have, nor shall such natives, by the permission or sufferance of the lessee, or any person claiming under the lessee, have any monetary transactions with the Government of his Highness the Nizam, or the Nobles, Jagirdars, Jemadars, Zamindars, or other officials of the Hyderabad State, beyond those provided for in the lease.

VII.—That the lessee, or the executors, administrators, successors, or assigns of the lessee, will not assign, underlet, or part with the possession of the demised premises, or any part thereof, unless with the previous consent in writing of the Government.

VIII.—That the lessee, and all claiming under the lessee, will, during the term, and after any section of railway is opened within a reasonable distance in the best and most effectual manner, and to the utmost, and on the most approved principles, and with due provision for drainage and ventilation of mines, and for the security of life, and the maintenance of the value of the property, and without intermission, except when prevented by insuperable accident, work, win, get, and raise all the mines, fields deposits of coal, ore, and other material or substances comprised in the lease (except such as shall not be capable of being worked to benefit), and so far as is consistent with tho covenant next hereinafter mentioned.

IX.—That

IX.—That the lessee, and all claiming under the lessee, will not permit or suffer any subterraneous or other excavations to be made under or within a distance to be fixed in each case, and from time to time, by the Government mining engineer (and which distance may vary for different depths or different soils), or of any works or operations whatever likely to damage structurally any dwelling-house or building belonging to any person other than the lessee.

X.—That, except by the express consent of the Government, no coal, raw ore, or other material or substance raised or gotten from the demised premises, shall be removed from the premises for the purpose of sale, or otherwise, or converted or used for any other purpose, until the particulars thereof have been duly entered and recorded, together with the amount of the royalties payable in respect of the same; but that, in the case of coal and ores, the lessee shall be allowed one-tenth of the actual winnings for colliery consumption and waste.

XI.—That the lessee, and the executors, administrators, successors, and assigns of the lessee, will, at his or their own expense, during the term erect and continue at the place, or each of the places, where any coal, raw ore, or other material or substance to be gotten during the term out of the demised premises shall be raised or brought to the surface a machine-house or machine-houses, and keep the same in good repair, and set up and continue a weighing machine, or machines, with proper standard weights of his Highness's State in the machine-house or machine-houses so to be erected, and will at all reasonable times permit any officers and workmen appointed by the Government in that behalf to have free access to such machine or machines, and weights, and make use of, prove, and regulate the same, and will keep the same in good repair, and at the like expense provide proper persons to superintend the same, and will cause all the coal, raw ore, and other material or substances which shall be gotten from the demised premises (whether the same shall be taken away and sold or disposed of, or be used or consumed) to be duly weighed, and will cause the weights of all such coal, raw ore, and other material or substances, distinguishing the different classes and qualities to be from time to time entered in proper books of account to be provided for that purpose by the lessee, or the executors, administrators, successors, or assigns of the lessee, and to be kept at the office where such coal, raw ore, and other material or substances respectively shall be raised or brought to the surface, and will not remove, consume, smelt, or dispose of any coal, raw ore, or other material or substances until so weighed and entered, and will permit any persons from time to time appointed in that behalf by the Government at all reasonable time to have free access to the said machine-house or machine-houses, and office, and to inspect, cast up, and examine the said books, entries, and accounts, and take extracts or copies of the same, and will permit any person from time to time appointed in that behalf by the Government to be present when the said coal, raw ore, and other material or substances, shall be weighed, and also from time to time as often as such persons shall think proper to weigh and take account of all such coal, raw ore, and other material or substances respectively, and for that purpose to have the use of the said machines, and also the help and assistance of any of the servants or workmen there employed, and the use of the horses, waggons, carts, and other carriages, ropes, tackle, and other implements, and machinery employed in or about any of the demised premises without making any compensation for the same.

XII.—That the lessee, and persons working under the lessee, the demised premises, or any of them, will, on the first day of every third calendar month during the continuance of the term, settle and make up full, true, and particular accounts of all coal, raw ore, and other material and substances gotten and raised from the demised premises, and of all sales thereof respectively, with dates, weights, names, prices, and all such other particulars as the Government shall from time to time require, and also of all rents and royalties that shall have become payable under or by virtue of the lease, and will keep proper working plans with reference to all operations under the lease.

XIII.—That all accounts pertaining to the matters of this agreement shall be kept in local currency, and in such form as the Government shall from time to time prescribe, and a true statement thereof shall be submitted yearly by the lessee to the Government, with copies of all the said plans.

 XIV.—That

XIV.—That the accounts in respect of each of the following classes of minerals and metals shall be kept separately, viz. :—

(A.) Gold and silver.
(B.) Iron ore and stone (of which each separate quality is to be in a separate class as if separately here specified).
(C.) Coal.
(D.) Precious stones.
(E.) Mineral oils.
(F.) Alum.
(G.) Pottery earth.
(H.) Fire-clay.
(K.) Limestone.
(L.) All other clays, metals, minerals, and mineral substances (each to be separately classified).

XV.—That all books, accounts, documents, plans, vouchers, and papers relating to any operations under the lease, and also all the mines and works of the lessee shall at all reasonable times be open to the inspection of any person or persons duly authorised in that behalf by the Government, and that free access and all reasonable facilities for inspecting and taking copies of, or extracts from, such books, accounts, documents, plans, vouchers, and papers, and for inspecting, measuring, and testing such mines and works, and all information in connection therewith which shall be required by such person or persons shall be afforded from time to time to such person or persons by the lessee, and all persons claiming under the lessee, provided that the exercise of the rights of inspection, measurement, and testing, shall be conducted at reasonable hours in the day-time, and in such a manner as not to interfere more than is reasonably necessary with the working of the mines.

XVI.—That the accounts may be audited half-yearly by any duly authorised agent or agents of the Government, who for that purpose shall have power to call for all such books, accounts, documents, plans, and vouchers, as he or they may think proper for the verification thereof.

XVII.—That all pits, shafts, machinery, and works shall be kept properly fenced off so as to protect the public, or their cattle, sheep, or other animals from the danger of straying thereunto, and that the lessee, or the executors, administrators, successors, or assigns of the lessee, and all persons working under the lessee, the demised premises, or any part thereof, will from time to time, within six calendar months next, after any pit or shaft shall have been disused, arch over the mouth thereof with good bricks and mortar, and will, within six calendar months next after the 1st day of January in every year either fill up and level such parts of the surface comprised in the lease as shall no longer be required for the operations under the lease (except such parts as the Government may require not to be filled up, stopped, or levelled) or make due compensation to all persons other than the Government affected by failure or omission to fill up and level the same, and, at all events, will cause the whole of the surface comprised in the lease to be filled up, stopped, or levelled within six calendar months next after the end or sooner determination of the term created by the lease (except such parts as may be required by the Government not to be filled up, stopped, or levelled) and will within six calendar months either reinstate or restore the lands so to be levelled to a state fit for cultivation and herbage or make due compensation to all persons other than the Government affected by failure or omission to so restore and reinstate the same.

XVIII.—That at the expiration or sooner determination of the term the lessee, or those claiming under the lessee, will deliver up to the Government the demised premises, together with all erections and buildings then standing, and being thereon, and all fixtures and additions thereto (except such as are by the lease authorized to be removed) in good and substantial repair and working order, and in all respects in such state and condition as shall be consistent with the due performance of the covenants in the lease, except as shall be otherwise agreed between the lessee and the Government, and also all agreements between the Government and the lessee.

XIX.—That a special police shall, if required by the lessee, be appointed when necessary to enforce order between the servants of the lessee when engaged in operations on the premises leased and the subjects of his Highness, and that the cost of such police shall be borne in the following proportions, viz., three-tenths by the Government and seven-tenths by

by the lessee, and that the police force thus constituted shall be placed under the orders of an officer of the Government of India appointed by the British Resident at Hyderabad so long as the Government of India shall consent to such arrangement.

XX.—And also a clause for referring to arbitration any differences or disputes between the Government and the lessee, such clause to be similar (*mutatis mutandis*) to clause 18 hereof.

And also covenants by the Government to the following effect (viz.)

XXI.—That at the expiration or sooner determination of the term created by the lease, or at any time previous thereto, the lessee shall be at liberty (subject to the right of persons other than the Government), to remove all engines, boilers, and other machinery and plant of every description belonging to the lessee, which may be or have been in use on the premises therein comprised in connection with any of the operations under the lease, or to sell the same on the spot, subject to the same being first offered to the Government at a price to be agreed between the lessee and the Government, or in default of such agreement to be fixed by arbitration under the arbitration clause in the lease.

XXII.—That all machinery, plant, and utensils required for the purpose of executing any works either temporary or permanent under the lease, shall be admitted into his Highness's territories free of all fiscal charges and duties whatever payable to his Highness's Government, or to any local authorities claiming under his Highness under a title subsequent to this agreement.

XXIII.—That it shall be lawful for the lessee to surrender the lease at any time by giving to the Government twelve calendar months' notice in writing, whereupon all future liability on the part of the lessee shall cease, but without prejudice to the lessee's liability in respect of any prior breach of covenant.

XXIV.—That if the lessee shall discontinue, or at any time after the granting of the lease, neglect or omit, or permit or suffer to be omitted, the working of any of the demised mines or premises, but shall not be willing to surrender the lease under the covenant lastly hereinbefore stipulated for, it shall be lawful for the lessee, by giving twelve months' previous notice in writing, to surrender any, or any part of such demised mines and premises without the remainder, but including so much of the demised surface as shall thereupon become unnecessary for working the retained mines and premises, and thereupon all future liability on the part of the lessee shall cease as regards the part surrendered (the provisions of the lease being construed distributively), but without prejudice to the lessee's liability in respect of any previous breach of covenant, and upon such surrender the lessee shall grant to the Government all such powers, easements, and rights as may be necessary or expedient for conveniently and efficiently working the surrendered mines and premises.

XXV.—And also a proviso, by way of condition, that if and whenever any part of the rents or royalties by the same lease reserved or made payable in respect of any property which shall not have been surrendered shall be in arrear for three months, whether the same shall have been legally demanded or not for it, and whenever the lessee shall discontinue working for any 12 consecutive months any mine or mines upon which active mining operations shall once have been commenced, and which shall not have been surrendered under the powers hereinbefore mentioned and referred to, or if the company shall be wound up or cease to exist, or if and whenever there shall be a breach or non-observance of any of the covenants or agreements by the lessee contained in the same lease, and the lessee shall fail to make pecuniary compensation to the satisfaction of Government for such breach, it shall be lawful for the Government to re-enter upon any part of the same premises in the name of the whole, and thereupon the term thereby granted shall absolutely determine, except in so far as shall relate to the recovery of any of the rents or royalties thereby reserved or made payable which shall be then in arrear, or to the satisfaction of damage for breach or non-observance of any of the covenants or agreements by the lessee contained in the lease so terminated, and that such right of re-entry may be exercised by the Government notwithstanding the waiver by them of any prior forfeiture or forfeitures.

And also such covenants, clauses, and provisions as (not being inconsistent with the clauses hereinbefore specified) shall be usually inserted in leases of a similar character of mines in England.

13. When the railways hereinbefore referred to are completely constructed and in operation, and capable of transporting mineral traffic to the necessary extent, the company hereby agreed to be formed, or their lessees, shall sell to such railways coal sufficient for the *bonâ fide* requirements of their traffic at special rates, which shall be not less than 30 per cent. below the rates of sale to the outside public, provided that the railway company engaged in a separate agreement with the company hereby agreed to be formed to carry the produce of the mines that shall be sold to foreign railways at 30 per cent. below the ordinary quotations for the same classes of traffic, and the company hereby agreed to be formed shall provide mineral traffic on the same railways to an extent of a freight of 45,000 *l.* per annum, provided that the railway company gives reasonable facilities for such traffic, and the development and working of the mines produce sufficient for that purpose.

14. The concessionaires, their executors, or administrators shall not, nor shall the said company, keep any armed retainers, but shall, if necessary, apply to the Government of his Highness the Nizam for protection, which shall at once be afforded by the Government.

15. The concessionaires, their executors, or administrators, or their servants (other than natives of India) shall not, nor shall the said company or its servants (other than natives of India), nor shall such natives, by the permission or sufferance of the concessionaires, their executors, or administrators, or of the said company, have any monetary transactions with the Government of his Highness the Nizam, or the nobles, jaghirdars, jamadars, zamindars, or other officials of the Hyderabad State beyond those provided for in these presents.

16. A special police shall, if required by the concessionaires, their executors, or administrators, until the transfer of this concession to the company, as hereinbefore mentioned, and after such transfer, then, if required by the said company, be appointed, when necessary, to enforce order between the servants of the requesting party while engaged in operations under this concession in the dominions of his Highness and the subjects of his Highness. The cost of such police shall be borne in the following proportions, that is to say, three-tenths by the Government and seven-tenths by the requesting party. The police force thus constituted shall be placed under the orders of an officer of the Government of India, appointed by the Resident at Hyderabad, so long as the Government of India consent to such arrangement.

17. AND THIS INDENTURE FURTHER WITNESSETH that in consideration of the premises it is further agreed between the parties hereto, the Government binding itself as to the matters to be performed and observed by the Government, and the concessionaires binding themselves as to all the matters to be performed and observed either by themselves or the said company, but subject to the transfer to the same company of the liability of the concessionaires as before mentioned as follows: the concessionaires or the said company shall have from the date of these presents (so far as the Government can grant the same) the exclusive right of prospecting and testing for gold, silver, iron, coal, precious stones, precious metals, and other mines and minerals, and mineral oils, and mineral substances of what kind soever throughout all portions of the territories of his Highness the Nizam, until the 31st day of December 1891, but the concessionares or the company shall before exercising such right notify to Government their intention so to do. The concessionaires, or the said company, may, from time to time, until the said 31st day of December 1891, select and notify to the Government the selection of (specifying the same) such and so many of any lands, mines, fields, beds, deposits of coal, clay, iron, ironstone, limestone, and all or any other minerals, metals, precious stones, mineral oils, and mineral substances in the territories of his Highness the Nizam (other than those specified in the 3rd article of these presents) as they desire to acquire for the purpose of mining operations, and such notification shall describe the lands selected by reference to the village map or plan relating to the same; and upon any premises being selected, as in this clause provided, the Government will, from time to time, at the expense of the concessionaires or the company, but free of any premium or other payments not by these presents expressly provided for, grant to the said company, or their licensed nominees (if any), who respectively shall accept the same without any investigation of, or objection to, the title, a lease or leases of such premises for a termof 99 years from the date of these presents, which lease or leases shall reserve, in respect of each mineral or mineral substance to be thereby demised, rents and royalties to be fixed by the said mining board on the principle, as near as can be, and in the manner provided by clause 11, and contain the same powers and covenants (*mutatis mutandis*) as are hereinbefore provided with respect to the premises to be selected under the provisions of the 3rd article of these presents, and the other stipulations of these presents shall apply to the premises to be selected, pursuant to the provisions of this clause in like manner as to the premises to be selected under the said 3rd article, and as fully as if such stipulations were herein repeated, and all such provisions shall be inserted in such lease or leases as in the opinion of the mining board may be required having regard to the peculiar nature of the minerals or mineral substances to be therein comprised. The concessionaires or the said company shall be at liberty to defer, and shall not be required to exercise their right of prospecting and testing

testing at any time before the 1st day of June 1888, but from the date of their application for leave to exercise such right they shall be liable to pay to the Government up to the 31st day of December 1891, by equal quarterly payments, and as the consideration for such exclusive rights to prospect and test, the yearly sum of British 50,000 rupees, from which there shall be deducted any royalties paid to the Government under any lease granted pursuant to the provisions in this paragraph contained.

18. If any dispute or difference shall arise between the concessionaires or their executors or administrators, or the company to be formed as hereinbefore is mentioned on the one hand, and the Government on the other hand, concerning this concession, or the interpretation thereof, or the rights or liabilities of either party hereunder, such dispute or difference shall be referred to a board of arbitration, one member of which shall be appointed by the Government, and the other by the other party to the dispute or difference, and the duty of the said board shall be to inquire into and equitably adjust and determine such dispute or difference, and if unable to do so by reason of difference of opinion among the members thereof, or for any other reason, to refer the same difference or dispute to an umpire to be appointed by the mutual consent of the said board in each case before they proceed to arbitration, or in case the board shall not within 14 days after the dispute or difference shall have been referred to them have appointed the said umpire, the appointment of an umpire may be made upon the application of either party by Her Majesty's Secretary of State for India, and the decision of such board, or in the event of their not arriving at a decision, as aforesaid, the decision of such umpire shall be final and binding upon both parties, and no appeal shall lie therefrom, and upon every such reference the board of arbitration and umpire shall respectively have power to examine witnesses upon oath or affirmation, and to fix, settle, and determine the amount of the cost of the reference and award respectively, or incidental thereto, to be paid by both parties, or by either party, and to direct and award when and by whom such costs shall be paid. In matters not otherwise herein provided for the provisions of the Common Law Procedure Act, 1854, and the Acts amending the same, shall (*mutatis mutandis*) have effect in relation to every arbitration under this Indenture.

IN WITNESS whereof the said Nawab Mir Laik Ali Khan Bahadur Salar Jung Munirud-Doulah Mukhtar-ul-Mulk Imadas Sultana, acting on behalf of the Government of his Highness the Nizam, has hereunto affixed the Seal of State of his Highness' Government, and the said William Clarence Watson and John Stewart have hereunto set their hands and seals the day and year first above written.

The seal of State of the Government of his Highness the Nizam affixed by the Nawab Salar Jang Imadas Sultana, the Prime Minister of the Government of his Highness the Nizam, in the presence of

(signed) *Alex. H. E. Campbell*,
Col., Supdt. and Magte., Residency Bazaar, Hyderabad, Deccan.

The Seal of State affixed by me,
(signed) *Salar Jang Imadas Sultana.*

Seal of State of the Government of His Highness the Nizam

William Clarence Watson by his duly constituted Attorney.
(signed) *C. A. Winter.*

Signed, sealed, and delivered by the above-named William Clarence Watson and John Stewart by their Attorney Charles Albert Winter in the presence of

(signed) *Alex. H. E. Cambpell*, Col.
(signed) *W. C. Furnivall*,
Agent and Chief Engr., his Highness the Nizam's Guaranteed State Railways Company, Ld., Hyderabad, Deccan.

John Stewart by his duly constituted Attorney.
(signed) *C. A. Winter.*

— No. 5. —

DESPATCH from Secretary of State to Government of India, dated 7th October 1886, No. 42, Public Works.

My Lord,

Para. 1. YOUR Excellency's Foreign Letter, No. 31, dated 2nd February 1886, informed this office of the negotiations which had taken place in India between the Nizam's Government and Messrs. Watson and Stewart in respect to the development of the coal and mineral resources of the Hyderabad State, resulting in the conclusion of an agreement between the parties. A copy of this agreement accompanied your letter, which you stated had been approved by your Government, and you requested that the sanction of the Secretary of State might be given to the arrangement.

2. Your Excellency will perceive, from perusal of the acccompanying copy of correspondence* which has passed between this office and Mr. Watson, that after some discussion, it has been agreed that Mr. Watson or his representatives shall surrender to the Nizam's Government any land in the Hyderabad State taken up for mining purposes under the lease given them, on which active mining operations are not commenced by the end of 1896. The reasons for requiring this are explained in the correspondence.

* Letter to Mr. Watson, dated 5th May 1886.
Letter from Mr. Watson, dated 13th May 1886.
Letter from Mr. Watson, dated 10th June 1886.
Letter from Mr. Watson, dated 1st July 1886.
Letter to Mr. Watson, dated 27th July 1886.
Letter from Mr. Watson, dated 28th July 1886.
Letter from Mr. Watson, dated 19th August 1886.
Letter to Hyderabad Deccan Company, dated 24th August 1886.
Letter from Hyderabad Deccan Company, dated 3rd September 1886.

3. Your Excellency will learn from the enclosures that a Company, called the "Hyderabad Deccan Company," has now been formally registered with the object of working under the lease granted to Mr. Watson, and I trust that the operations of this Company may be attended with benefit to his Highness the Nizam.

4. It will be for your Excelleney in Council to consider whether it might not be expedient, in view of the somewhat extensive powers conceded by the Hyderabad State to the concessionaires, that your Resident at the Nizam's Court should exercise some supervision over their operations.

I have, &c.
(signed) *Cross.*

Enclosure 1, in No. 5.

Sir, India Office, 5 May 1886.

WITH reference to the discussion which took place between yourself and the representatives of the Secretary of State for India in Council at this office on the 15th April 1886, in respect to the terms of a proposed contract between yourself and Mr. J. Stewart on the one part, and the Government of his Highness the Nizam of Hyderabad on the other part, for mining concessions in the Hyderabad State, I am desired by the Secretary of State to make the following observations:—

The Secretary of State, while offering no objection to the general scope of the contract, is of opinion that some of its provisions require re-consideration. Clauses 4 and 17 of the contract provide that, under certain conditions, the concessionaires shall be granted leases for 99 years of whatever areas may be selected by them for mining purposes. This length of lease appears to be excessive, while sufficient provision is not made to ensure the concessions being actually worked within a reasonable time. To meet these points it is considered that either a stated dead rent should be paid on each specific concession, or a condition should be added to admit of the leases being determined if working has not begun after some reasonable specified period, or is not continued to the satisfaction of the Nizam's Government; and that a shorter term than 99 years should be taken, or power to determine the leases on payment of compensation for the value of the fixed plant and conveniences.

Clause 3

Clause 3 also seems to require the introduction of language which will more specifically define the meaning of the expression " within a reasonable distance of the railway."

His Lordship in Council requests that you will consider the points noticed in this letter, and the subject can then be further discussed.

I have, &c.

W. C. Watson, Esq. (signed) *E. Stafford Howard.*

Enclosure 2, in No. 5.

7, Great Winchester-street, London, E.C.,
13 May 1886.

Sir,

I HAVE the honour to acknowledge your letter of the 5th instant, P.W. 525, wherein you refer to a discussion which took place on the 15th April last between the representatives of the Secretary of State for India in Council and myself with respect to the terms of the deed, dated 7th January 1886, executed between the Government of his Highness the Nizam of Hyderabad of the one part, and myself and Mr. John Stewart of the other part, and regarding which you are so good, by the desire of his Lordship the Secretary of State for India, as to convey to me certain observations upon some of its clauses and conditions.

2. At the personal interview on the 15th April last, I had the honour of explaining that while any suggestions proceeding from the Council for India would have my serious and respectful attention, yet that in the absence of my agent who had acted in the business, and whose arrival in England is expected before the end of the present month, I felt myself incompetent usefully to discuss the points raised. I therefore proposed, which proposal permit me to repeat, that we should await the arrival of my agent, so that, being in possession of the needful information, I might study the subject with the earnestness that its importance demands.

I have, &c.

The Under Secretary of State for India. (signed) *W. C. Watson.*

Enclosure 3, in No. 5.

7, Great Winchester-street, London, E.C.,
10 June 1886.

Sir,

WITH reference to my letter of the 13th ultimo, in reply to yours of the 5th idem, P.W. 525, I beg to inform you that my agent has arrived in England, and I shall be glad to attend any appointment after the 24th instant which you may be good enough to make with reference to the matter in question.

I have, &c.

The Under Secretary of State for India. (signed) *W. C. Watson.*

Enclosure 4, in No. 5.

7, Great Winchester-street, London, E.C.,
1 July 1886.

Sir,

WITH reference to your P.W. 525, of the 5th May last, and to my interview with the Council this day, at which they expressed a desire that some provision should be made to ensure the development within a specified time of any lands taken up in pursuance of the agreement made between his Highness the Nizam's Government and myself and Mr. John Stewart, and that we, the concessionaires, should undertake with the Secretary of State for India that any lands so taken up, and on which active mining operations are not commenced before the end of the year 1896, should be surrendered by us, I beg to state that I am prepared to give this assurance to the Secretary of State.

I am, &c.

The Under Secretary of State for India. (signed) *W. C. Watson.*

Enclosure 5, in No. 5.

(No. 1100—86.)

India Office, 27 July 1886.

Sir,

THE Secretary of State for India in Council has had before him your letter, dated the 1st instant, in which you state that, in order to meet the desire expressed that some provision should be made to ensure the development, within a specified time, of any lands taken up in pursuance of the agreement made between his Highness the Nizam's Government of the one part, and yourself and Mr. John Stewart of the other, you will undertake that any lands so taken up, and on which active mining operations are not commenced before the end of the year 1896, shall be surrendered by the concessionaires.

In reply, I am directed to inform you that the Secretary of State will be prepared to approve of the carrying out of the agreement which has been entered into by yourself and Mr. John Stewart with the Nizam's Government, on the express condition that, in the event of active mining operations not being commenced at any mines or on any lands taken up in accordance with the terms of the concession, within the time specified in your letter as above quoted, all such mines and lands will be surrendered to the Nizam's Government by you or the Company, or persons to whom the concession may be transferred, and that all rights under the contract in respect to such mines and lands shall then wholly cease.

I have, &c.

W. C. Watson, Esq. (signed) *Horace Walpole.*

Enclosure 6, in No. 5.

7, Great Winchester-street, London, E.C.,
28 July 1886.

Sir,

I HAVE the honour to acknowledge receipt of your letter, P.W. 1100, 27th instant. I beg to thank you for the same, and to inform you that the Company for taking over and working the concession from his Highness the Nizam's Government to Mr. Stewart and me has this day been registered.

I have, &c.

The Under Secretary of State for India. (signed) *W. C. Watson.*

Enclosure 7, in No. 5.

7, Great Winchester-street, London, E.C.,
19 August 1886.

Dear Sir,

IN reply to your letter of the 12th instant, I beg to inform you that the name of the Company is "The Hyderabad (Deccan) Company, Limited," and the Secretary is Mr. J. Martyn Milne. The office of the Company is at the above address.

I am, &c.

Sir Juland Danvers, K.C.S.I. (signed) *W. C. Watson.*

Enclosure 8, in No. 5.

(P.W. 1268—86.)

India Office, 24 August 1886.

Sir,

MR. W. C. WATSON having informed the Secretary of State for India that the Hyderabad (Deccan) Company, which has been formed for taking over and working the mining concession from his Highness the Nizam's Government to Mr. Stewart and himself, has been registered, I am directed to request that a confirmation may be given by the Company of the assurance contained in Mr. Watson's letter of the 1st ultimo to this office, a copy of which is enclosed, that any lands taken up by the Company, and on which active mining operations are not commenced before the end of the year 1896, shall be surrendered by the Company.

I have, &c.

The Secretary to the Hyderabad (Deccan) Company, Limited. (signed) *John E. Gorst.*

Enclosure 9, in No. 5.

The Hyderabad (Deccan) Company, Limited,
7, Great Winchester-street, London, E.C.,
3 September 1886.

Sir,

I HAVE the honour to acknowledge receipt of your letter, P.W. 1268, dated 24th August 1886, asking confirmation on behalf of this Company of the assurance contained in Mr. Watson's letter of the 1st July last, referred to by you, and, in reply, I am directed to inform you that at a meeting of the Board of this Company, held on the 25th ultimo, it was resolved that Her Majesty's Secretary of State for India in Council be informed that this Company undertake that any lands taken up by it for mining purposes, and on which active mining operations are not commenced by the end of the year 1896, shall be surrendered by the Company.

I am, &c.
(signed) *J. Martyn Milne,*
Secretary.

The Under Secretary of State
for India.

— No. 6. —

LETTER from Government of India to Secretary of State, dated 15th March 1887, No. 34, Foreign.

My Lord,

WE have the honour to refer to paragraph 4 of your Lordship's Despatch, No. 42 (Public Works), dated the 7th October 1886, regarding the formation in England of the "Hyderabad Deccan Company" to develop the coal and mineral resources of the Hyderabad State.

2. The correspondence,* of which a copy is enclosed, will show your Lordship that arrangements have been made for the exercise by the Resident at Hyderabad of supervision over the operations of the concessionaires.

* To the Resident at Hyderabad, No. 4115-I., dated the 30th November 1886.
From the Resident at Hyderabad, No. 7, dated the 11th January 1887.

Enclosure 1, in No. 6.

From *J. A. Crawford,* Esq., Assistant Secretary to the Government of India, Foreign Department, to the Resident at Hyderabad, dated 30th November 1886, No. 4115-I.

IN continuation of the correspondence ending with the telegram from this office, No. 3551-I., dated the 3rd October 1886, I am directed to forward a copy of a Despatch* from Her Majesty's Secretary of State regarding the formation in England of the "Hyderabad Deccan Company" to develop to coal and mineral resources of the Hyderabad State.

* Despatch No. 42 (Public Works), dated the 7th October 1886 (with Enclosures).

2. I am to invite your attention to paragraph 2 of the Despatch; and I am to inquire whether you anticipate any difficulty in exercising some supervision over the operations of the concessionaires in accordance with the suggestion made in the fourth paragraph.

3. I am at the same time to request that you will keep the Government of India informed of the progress of this scheme.

Enclosure 2, in No. 6.

From *J. G. Cordery*, Esq., Resident at Hyderabad, to the Secretary to the Government of India, Foreign Department, dated Hyderabad Residency, 11th January 1887, No. 7.

I HAVE the honour to acknowledge the receipt of your letter No. 4115-I., dated 30th November 1886, and enclosures, regarding the formation in England of the "Hyderabad Deccan Company" to develop the coal and mineral resources of the Hyderabad State.

2. With reference to the second paragraph of your letter, I have arranged with Mr. Furnivall, the agent of the Company in India, that all correspondence between the Company and his Highness the Nizam's Government shall pass through the Resident, who will thereby be placed in a position to exercise the requisite supervision over the operations of the concessionaires. Periodical reports of the progress of their operations will also be obtained and submitted for the information of the Government of India.

EAST INDIA (DECCAN MINES).

RETURN of CORRESPONDENCE between the Government of India and the Secretary of State relating to the Concession of MINING RIGHTS in the *Deccan*.

(*Mr. M'Lagan.*)

Ordered, by The House of Commons, *to be Printed,*
16 *September* 1887.

[*Price* 5 *d.*]

338. *Under* 4 *oz.*

H.—17. 11. 87.

EAST INDIA (PUBLIC WORKS DEPARTMENT).

RETURN to an Address of the Honourable The House of Commons, dated 17 December 1888;—*for*,

"COPIES of, or EXTRACTS from, CORRESPONDENCE relating to the relative position of CIVIL ENGINEERS and of Officers of the ROYAL ENGINEERS in the PUBLIC WORKS DEPARTMENT."

India Office,
18 December 1888.

J. A. GODLEY,
Under Secretary of State for India.

(Sir George Balfour.)

Ordered, by The House of Commons, *to be Printed*, 22 *December* 1888.

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439.

COPIES of, or EXTRACTS from, CORRESPONDENCE relating to the relative position of CIVIL ENGINEERS and of OFFICERS of the ROYAL ENGINEERS in the PUBLIC WORKS DEPARTMENT.

— No. 50. —

Public Works.—Public Works Department.—General.

To the Right Honourable the Marquis of *Hartington*, Her Majesty's Secretary of State for India.

My Lord Marquis, Fort William, 16 December 1881.

WE have the honour to acknowledge your Lordship's Despatch, No. 50, dated 8th September, regarding the re-organisation of the engineering establishment of the Public Works Department.

2. Our proposal to create a class of clerks of works intermediate between the engineer and upper subordinate classes does not commend itself to your Lordship's judgment, and instead, it is proposed, for our consideration, that a proper flow of promotion in the engineer establishment should be obtained, without an undue increase of expense:—(1) by limiting the number of admissions; (2) by re-adjustment of ranks; (3) by a limitation of age in certain ranks; and, (4) by the encouragement of spontaneous retirement. In order to apply satisfactorily the last two means, your Lordship proposes a revision of the pension rules, and the institution of a provident fund. These latter measures were not absent from our thoughts in the consideration of the re-organisation of the engineer establishment which resulted in our Despatch, No. 97, dated 2nd November 1880, but we did not think that their introduction into the discussion of the organisation of one Department was justified by the scope of our instructions. We now cordially accept your Lordship's suggestions, and proceed to consider the best way of giving them practical effect..

3. The total number of engineers sanctioned before the reductions of 1879 was 1,015. The reduced establishments sanctioned by us early in 1880 aggregated 879. The revision just completed after a year's experience of the reduced staff has resulted in a total sanction of 954 (*see* Appendix A.). By effecting the re-organisation of the military works branch in the manner detailed in our Military Despatch, No. 345, dated 24th September 1881, a reduction of 127 engineers must be made in this number. The resulting number sanctioned will then be 827. The salaries of this number of officers, divided into grades on the present system, and on present rates of pay, would amount to 5,16,000 rupees per mensem. But we have carefully considered the future of the railway branch, and have come to the conclusion that, by having recourse to the contract system more largely than heretofore, and by a more general construction of such works by private enterprise, the number of officers may gradually be reduced from 213 to 147 within the next few years. If our hope of attracting private enterprise largely to the construction of railways should be disappointed, we should still have a sufficient number of supervising officers, who, when necessary, would be supplemented by temporary employés engaged for the job, so far as our wants exceeded the number of supernumeraries which reduction in the sanctioned scale would cause. By the time these supernumeraries become absorbed, there will, we anticipate, be a larger field in India for the selection of temporary men. This reduction in the railway branch would bring the sanctioned number of engineers down to 761.

4. Taking then 761 as the normal strength of our engineering staff, we propose to divide them into grades in each list as shown in the centre columns

in Appendix A. The proportion of grades and classes which will prevail under that classification will be as follows:—

Chief engineers	2·234	7·884
Superintending engineers	5·650	
Executive engineers, 1st grade	12·352	61·235
Executive engineers, 2nd grade	14·192	
Executive engineers, 3rd grade	16·426	
Executive engineers, 4th grade	18·265	
Assistant engineers, 1st grade	15·112	30·881
Assistant engineers, 2nd grade	15·769	

The number of chief and superintending engineers has been determined according to actual present requirements. The proportion of executive to assistant engineers has been fixed at 2 : 1; and the executive engineers have been divided into four grades, the numbers in which, beginning at the highest, are in the aggregate multiples of six, seven, eight, and nine, respectively; half the assistants have been placed in the 1st grade of that class. For the present, however, owing to the presence of supernumeraries, the ratio of executives to assistants would be 3 : 2.

5. The cost of the whole establishment of 761 engineers so distributed would be about 5,18,000 rupees per mensem, or about the sum shown above to be the cost of 827 engineers, distributed according to the system now in force.

6. The number of executive engineers on the scale proposed is increased by 32 per cent. of their present strength, while that of assistant engineers will eventually be decreased by 50 per cent. Counting in, however, the number of supernumeraries, the reduction of assistants in the first instance will be only 32 per cent. of the present strength of that class. The number of executive divisions would not be at once increased proportionately to the increase in the number of executive engineers. If a large disproportion between the number of executive engineers, and the number of executive divisions were likely to be a permanence, it would be a serious drawback to the proposal, but there is no doubt that as railways are developed, and the prosperity of the country increases there will be a very large demand for additional works, necessitating a corresponding increase in the working power of the Department by the creation of new divisions. When in the course of time, and by the growth of work, the spare executive engineers are absorbed, and the effective strength of the Department increased by the employment of temporary assistants, it would be necessary, in order to secure proper supervision, to vary the above proportions somewhat by increasing the number of the chief and superintending engineers. The ultimate proportions might be:—

Chief engineers	3 per cent.
Superintending engineers	7 „
Executive engineers	60 „
Assistant engineers	30 „

We should desire to work within these proportions as a maximum without reference to your Lordship.

7. At the average rate of promotion which we anticipate with the proportion of ranks now proposed, an officer should attain the several departmental grades at the ages given below, assuming that he enters the service as a 2nd grade assistant engineer at the age of 22:—

Assistant engineer, 1st grade, at the age of	25
Executive engineer, 4th grade	29
„ „ 3rd „	34
„ „ 2nd „	39
„ „ 1st „	44

As selections for the higher classes of superintending engineers will be made as a rule from the executive engineers, 1st grade, every officer might fairly calculate on about one-third of his total service being spent in a rank above that

that of 2nd grade executive engineer, assuming the total service to be 33 years; and of those who rise by selection above the rank of executive engineer, the average service as superintending and chief engineer would probably be about eight years, or one-fourth of the total service.

8. The present strength of the engineer establishment is 963, of which the removal of the Military Works Branch to the control of the Military Department will take away 127. The balance is 836, which is 75 in excess of the proposed normal strength of 761. These supernumeraries must be gradually absorbed, and meanwhile they will, to the extent to which they exist, render the employment of temporary officers unnecessary. The annual number of vacancies in a strength of 761 officers may be put down at 30. We propose, until the supernumeraries are absorbed, to leave, as at present, one-fourth of these unfilled, and to retain one-fourth of the remainder for the Indian Colleges.

This will give :—

Unfilled vacancies - - - - -	7
Indian Colleges - - - - -	6
From England - - - - -	17
Total - - -	30

The whole of the supernumeraries would, by this arrangement, be absorbed in the course of about nine years.

The strength of Royal Engineers, including the Military Works Branch, now in the Public Works Department is 228, or, approximately, 25 per cent. of the total. This will be reduced to 100 by the transfer of 127 to the Military Department. We propose to fix 100 as the number of Royal Engineers to be retained in the Public Works Department. This arrangement, taking 4 per cent. as the number of casualties from ordinary causes, would divide the appointments from England as follows :—

Royal Engineers - - - - -	4
From Cooper's Hill - - - - -	13

The number of Royal Engineers will be affected by reversions of officers to the Imperial Establishment after a tour of service. This, however, need not affect the number from Cooper's Hill. On the subject of the supply of Royal Engineers for service generally in India, we are about to address your Lordship in the Military Department.

9. As to spontaneous retirement, we are prepared to put civil engineers on the same footing as members of the Covenanted Civil Service, that is, to permit retirement after 25 years' service, of which 21 years must be active service.

10. We have frequently felt the inconvenience of being obliged under existing rules to retain in a subordinate position officers who have grown old without exhibiting qualities that would justify their promotion. And we gladly avail ourselves of your Lordship's permission to propose rules for the compulsory retirement of such officers. We conceive that these would be suitably expressed as follows, viz., that an officer should retire—

If not at	30	years of age	an	assistant	engineer,	1st	grade.
,,	35	,,	,,	executive	,,	4th	,,
,,	40	,,	,,	,,	,,	3rd	,,
,,	45	,,	,,	,,	,,	2nd	,,
,,	50	,,	,,	,,	,,	1st	,,

The existing rule of the Civil Pension Code, Section 106, rule 6, to apply to all higher ranks. The above, as will be seen by a comparison with the figures in paragraph 7, would require the retirement of officers who are about a full grade behind the average rate of promotion. The proposed rules should not work with undue hardship, and they would leave ample margin for reformation in an officer not absolutely incompetent.

 11. We

11. We now proceed to consider the changes we think should be made in the pension rules in favour of civil engineers. The rates of pension suggested by your Lordship, after certain periods of service, are :—

After 20 years, 2,500 rupees per annum.
„ 25 „ 4,000 „ „
„ 28 „ 5,000 „ „
„ 30 „ 6,000 „ „

subject in all cases to a maximum of half average salary. We do not understand that it is your Lordship's desire that these terms of service and rates of pension should be regarded as limiting the conditions of retirement to the exclusion of all intermediate terms and rates. For our part, we should much prefer to accept them as indications of the rates appropriate at the several stages of service specified, in a graduated scale of pensions adapted to every period of service. This is specially desirable under a system of compulsory retirements, in order that an officer may not have to retire when just in view of a very substantial increase to his pension.

12. It may be observed that under existing rules, the maximum pension after 25 years' service is 5,000 rupees per annum; and that under the above rates this maximum is not attained till after 28 years' service. On the other hand, a higher pension of 6,000 rupees per annum is allowed by the new rates after 30 years' service. In regard to the latter rate, we have not had a sufficiently long experience in the Public Works Department to determine by observation how many men are likely to survive to obtain it; but in an exposed service it is probable that the number would be less than that arrived at by calculation on existing data. Taken alone then, we should have hesitated to adopt the new rates as suitable, or acceptable to the officers concerned. But with the addition of a provident fund on the lines laid down below, this difficulty would disappear.

13. Taking then the rates named by your Lordship as fixed points in a scale of pensions, we would propose to complete it as follows :—

	Rupees per Annum.		Rupees per Annum.
	Rs.		*Rs.*
10 years' service	1,000	21 years' service	2,760
11 „	1,060	22 „	3,040
12 „	1,140	23 „	3,340
13 „	1,240	24 „	3,660
14 „	1,360	25 „	4,000
15 „	1,500	26 „	4,360
16 „	1,660	27 „	4,740
17 „	1,840	28 „	5,140
18 „	2,040	29 „	5,560
19 „	2,260	30 „	6,000
20 „	2,500		

For a shorter service than 10 years, a gratuity should be given as at present, subject to a maximum of 6,000 rupees.

14. We are prepared, as suggested by your Lordship, to permit all civil engineers to reckon as qualifying service the following periods of furlough :—

2 years' furlough in 20 years' service.
3 „ „ 25 „
4 „ „ 30 „

subject

subject to one condition, viz., that the furlough must be taken out of India. This is intended to meet the case of natives and persons born and educated in India, for whom the indulgence is not called for, unless it also involves the benefit to the State which would be derived from enlarged experience and new ideas.

15. We desire to calculate all pensions on the basis of allowing one-sixtieth of average salary for each completed year of service, including the furlough specified in the preceding paragraph, and subject to the rates laid down in para. 13 as maxima.

16. Our proposals in regard to the Provident Fund are to reduce the present receipts of all executive and assistant engineers by 50 rupees per mensem, and of all officers of higher rank by 100 rupees per mensem, and then to credit each officer of whatever rank with 100 rupees per mensem in the shape of deferred pay claimable, with interest, only on the termination of service. The sums thus credited would be allowed to accumulate at the rate of 2 per cent. half-yearly, compound interest, until each transaction should be closed by the death or retirement of the officer concerned. On retirement each officer would receive the accumulated sum at his credit, or in case of his death before retirement, his estate would receive it. As this sum consists of deferred pay already earned, and interest thereon, it should also be given to officers dismissed for misconduct, less any claim Government might have against the officer at the time of dismissal.

17. Your Lordship will perceive that practically this arrangement involves an addition of 50 rupees per mensem to each officer below the rank of superintending engineer, this increase being accompanied by a corresponding deduction from the present rate of pay, which, together with the addition, would be credited to the officer's account in the books of the Provident Fund. Officers who have been selected for the posts of superintending and chief engineers should, we think, pay the full amount of the contribution to the fund from their present salaries, which are high enough to enable them to do so without inconvenience.

18. If an officer from the date of his joining, at the age of 22, is thus credited with 100 rupees per mensem, it is calculated that he would on an average have the following sums at his credit, after each of the periods of service specified below, (1) on the supposition that payments to the fund cease during furlough, and (2) that they are continued—

After 10 years' service (1 year furlough) 13,250 rupees, or, including additions during furlough, 14,750 rupees.

After 15 years' service (1 year furlough), 23,000 rupees, or, including additions during furlough, 24,625 rupees.

After 20 years' service (2 years' furlough), 33,000 rupees, or, including additions during furlough, 36,664 rupees.

After 25 years' service (3 years' furlough), 45,000 rupees, or, including additions during furlough, 51,340 rupees.

After 30 years' service (4 years' furlough), 60,000 rupees, or, including additions during furlough, 69,230 rupees.

After 33 years' service (4 years' furlough), 71,400 rupees, or, including additions during furlough, 81,790 rupees.

19. The contribution of Government to the fund being 50 rupees per mensem for each executive and assistant engineer, the aggregate would be, for a staff of 761 officers of all ranks, 35,000 rupees per mensem. But as we do not propose that officers of Royal Engineers should receive any contribution from Government, and as we may estimate that 90 of the 100 will be in the ranks of executive and assistant engineers, that sum may be reduced by 4,500 rupees per mensem. We may say, therefore, that the Government contribution will be about 30,000 rupees per mensem. This, as being deferred pay, should be a charge against the current Public Works grant.

 20. The

20. The effect of the contributions by Government to the fund is given in detail in the note which forms Appendix B, to this Despatch. It will be observed that the Government aid to officers who do not advance beyond the 1st grade of executives is considerably greater than to those whose career does not stop there. This is as it should be, for the inefficient officers having been weeded out grade by grade, the 1st grade executives may be assumed to be good and efficient officers, but lacking the qualifications for superintending engineer, or only the opportunity for advancement.

21. We have said that we do not propose supplementing the subscriptions of officers of Royal Engineers by an amount equal to their own contributions as in the case of Civil Engineers, because the pay of the former, owing to their net military pay which they receive in addition to their departmental pay, is on an average about 150 rupees per mensem higher than the pay of Civil Engineers of corresponding rank. There would be no objection, however, to their contributing 50 rupees or 100 rupees per mensem to the fund. Such contributions would be optional, but once made, the amount contributed could not be withdrawn till the officer making them was removed from the Public Works Establishment by transfer, retirement, or death.

22. We would treat military officers other than Royal Engineers in the same way.

23. If the scheme should meet with your Lordship's approval, the new scale of pay and pension, as well as contributions to the Provident Fund, should be made compulsory on all persons entering the engineer service after their introduction. Officers already in the Department should have the option of electing for the new scale of pay, subject to the new conditions of pension and contribution to the Provident Fund, or for the present scale of pay and the present pension rules.

24. With the introduction of the new arrangements we propose to cancel the rule (P. W. Code, chap. 1, sec. 1, para. 7) under which increments of 50 rupees per mensem may be given to executive engineers, 1st grade, for all officers who elect for the new rules.

25. We are quite prepared to admit Natives into the Engineer Establishment as it is now proposed to be constituted, on two-thirds of the salaries drawn by those appointed in England, and to afford every encouragement to their entering. The matter is receiving our careful consideration, and we shall shortly address your Lordship regarding it.

26. In respect to the power to entertain engineers temporarily, which we desire to have accorded to us, we have already addressed your Lordship in our Financial Despatch, No. 269, dated 22nd October.

27. If the foregoing proposals should meet with your Lordship's approval, we propose to apply the principles, so far as they are applicable, to the Accounts Branch of the Public Works Department, which is now chiefly recruited from the Engineer Establishment.

We have, &c.

(signed) *Ripon.*
W. Stokes.
Rivers Thompson.
J. Gibbs.
E. Baring.
T. F. Wilson.

No. 18.—Public Works.

To His Excellency The Right Honourable The Governor General of India in Council.

My Lord Marquis, India Office, London, 22 March 1883.

Para. 1. YOUR letter in this Department, No. 50, dated 16th December 1881, submitting, in reply to my predecessor's Despatch, No. 50, of the 8th September 1881, a scheme for the reorganization of the Engineering Branch of the Indian Public Works Department, together with your Letter, No. 8, of the 20th February 1882, describing the measures which were taken by your Excellency for arriving at the estimate for its future strength, has engaged the anxious attention of my predecessor, and has also received my consideration in Council. In the present Despatch I propose to communicate the conclusions at which I have arrived. Should you see your way, as I trust may be the case, to accept these as a settlement of the various questions involved, I authorise you to take the necessary steps for carrying them into effect. But should you on the other hand, after full consideration of what is said in this Despatch and of the whole of the circumstances of this difficult subject, especially in reference to its possible effect on the general finances of India, be desirous of introducing any modifications of what is here laid down, I shall be willing to receive your suggestions and to give them my best consideration.

2. The objects embraced in this reorganization are the following:—

(*a*) The reduction of the numerical strength to such proportions as will suffice for the work to be done.

(*b*) The re-adjustment of the grades so as to make promotion more rapid.

(*c*) The offer of terms of retirement which will have the effect of accelerating promotion and providing members with a superannuation allowance justified by their service and age.

(*d*) The determination of the proportions in which establishment shall be recruited by Royal Engineer Officers, by Civil Engineers from England, and by Passed Students (chiefly Natives) from the Colleges in India.

3. Your Excellency has come to the conclusion that the Public Works Department, which now consists of 963 officers, may, by the separation of the Military Works Branch from the Public Works Department proper, and by a reduction of the number of officers employed on the Railway Branch, be gradually brought to a strength of about 760. This number of 760 I am prepared on the data supplied by you, and on the assumption that the Military Works Branch will be separated (to which point further reference will be made), to regard as the total maximum strength of the General Branch of the Department in the future, accepting at the same time as necessary an excess for, probably, the next 10 years, till the existing redundancy of officers has become gradually absorbed. This excess of numbers, while it lasts, and to the extent to which it from time to time exists, will render less necessary the employment of temporary officers; but I am glad to perceive that your Government agrees with the views I have already expressed as to the expediency of adopting this last means of supplementing the strength of the Department, if the occasion should arise.

4. You propose to effect the two main objects of the scheme, viz., diminution of the strength to a maximum of 760, and the acceleration of promotion, by (1) a reduction in annual recruitment, and (2) a re-adjustment in the proportion of Executive to Assistant Engineers. The present number of all grades on the establishment, exclusive of the Military Works Branch, is stated in the 3rd paragraph of your Despatch at 827, and you propose to absorb the excess in the course of nine years, by leaving unfilled one-fourth of the annual

vacancies, which are estimated at about 30. The recruitment for this period will, therefore, be limited to 23 annually, of whom six will be appointed from Indian colleges and 17* from England. With this proposal I quite concur.

* 13 Cooper's Hill College.
4 Royal Engineer Officers.
17

5. The re-adjustment of numbers in the two classes of Executive and Assistant Engineers, as suggested by you, apparently contemplates an immediate promotion of Assistants to Executives sufficient to bring about a ratio of Executives to Assistants of two to one in place of the present proportion of three to four.

6. After a careful study, however, of the statements contained in your letter, coupled with the lists of the Public Works Establishments throughout India, I have been unable to accept the conclusion that the circumstances of the Department justify so serious an alteration in the proportion of numbers in these two classes as that proposed. As, moreover, it is obviously easier to move hereafter in the direction suggested by you than to recede from it, should the measure, as appears to me not improbable, prove inconvenient, I propose to limit, for the present at any rate, the alteration in the numbers of Executive and Assistant Engineers so as to make them equal.

7. In order to produce this proportion within a reasonable time, I am willing to sanction the promotion of the necessary number of Assistants to Executives within the present year and one or two years succeeding, in the manner which appears most advisable to your Government. At the same time the proportion of numbers among the several grades of Executive Engineers which is proposed by you, namely,—1st Grade, 8; 2nd Grade, 9; 3rd Grade, 10; 4th Grade, 12,—should be adopted as early as possible.

8. Before passing from this part of the subject, I would draw your attention to the necessity which will occur, in consequence of the diminished recruitment, for so regulating the promotion of Assistant Engineers to fill vacancies in the class of Executive Engineer as to retain the due proportion in each class as nearly as is compatible with a fair flow of promotion. This may be done by refraining, after the next two years, and until the Department is reduced to its normal strength, from filling up a certain proportion of the vacancies among Executive Engineers, the extent and precise manner of doing so being settled by your Government. In the event of the number of Executive Engineers being in excess of the number of Executive Divisions which it is necessary to maintain, it may be expedient to revert to a plan similar to that which existed from 1861 to 1864 of employing officers of the rank of 4th Grade Executives as Special Assistants without Executive charge on works of exceptional importance.

9. With reference to para. 24 of your letter, it appears to me that the present rule, under which an increment of *Rs.* 50 per mensem, after four years' service in the grade of Executive Engineer, 1st Grade, and a further increment of equal amount after a service of eight years in the same grade, is calculated to mitigate the hardship of possible slow promotion in individual cases, and I am, therefore, unwilling to assent to the cancelment of the rule in question, unless there are stronger reasons for its abolition than I am aware of at present.

10. With reference to the proposal in para. 6 of your letter to fix the proportion of numbers in the Chief and Superintending Engineer classes at 3 and 7 per cent. respectively, I observe that these proportions are not suggested by you in reference to actual present requirements, but to the possible future needs of the Department. It appears to me unnecessary to lay down any arbitrary proportion of numbers in these two classes. Such appointments should only be made as called for by the requirements of the Service. I would leave, therefore, the numbers in the ranks of Chief and Superintending Engineers to be regulated according to the demands of the Service as determined by your Government, subject, as usual, to the necessary sanction for any increase being obtained from the Secretary of State in Council.

11. The

11. The next proposal to which I will advert is the scale suggested by you (as marginally quoted*) for compulsory retirement of members of the Department who have not reached certain grades in the Department at certain ages. The necessity for introducing some general rule enforcing the retirement of officers in certain circumstances was alluded to in Lord Hartington's Public Works Despatch, No. 50 of 1881, and your attention was invited to the subject. But your present proposals go beyond what was intended in the matter, and I am of opinion that a stringent application of such a scale of enforced retirement as that which you have suggested might lead to hardship in the case of individuals, with resulting inconvenience to Government, which would outweigh any advantages to be derived from its adoption. I am not disposed, therefore, to move in this matter of compulsory retirement further than has been already indicated by me, namely, to couple with the existing regulation, which requires retirement from the public service at the age of 55, a further rule authorizing your Government to call on an officer of the Public Works Department to retire who has not at the age of 50 attained the rank of Superintending Engineer, the power being reserved to your Government, in the one case as well as in the other, to retain the services of such an officer on special grounds.

* An officer should retire—
If not at 30 years of age Assistant Engineer, 1st Grade.
If not at 35 years of age Executive Engineer, 4th Grade.
If not at 40 years of age Executive Engineer, 3rd Grade.
If not at 45 years of age Executive Engineer, 2nd Grade.
If not at 50 years of age Executive Engineer, 1st Grade.

12. The next two points to be dealt with are the proposals for the improvement of the pension scale for retired officers of the Public Works Department, and for the institution of a Provident Fund.

13. I will first consider the scale of gratuities and pensions and the periods of furlough which you recommend should count for pension. These proposals are embodied in the 11th to 14th paragraphs of your letter, and are confined to the Civil Engineers in the Department, no interference with the rules which apply to Military Officers being intended. In connection with the scale of pensions proposed by your Excellency is a plan for establishing a provident fund to which considerable contributions would be made by Government, and proportionate benefits conferred on the subscribers. For the reasons which are explained hereafter, I am unable to adopt your recommendations in this matter, but I am prepared to approve of a higher scale of pensions than that proposed by you in the 13th paragraph of your letter, applicable to periods between the 10th and 30th year of service, 20 years of service being necessary to entitle an officer to retire without a medical certificate.

The following is the scale which I should be willing to sanction :—

Number of Years' Service.	Pension per Annum.	
	Rs.	
10	1,000	On medical certificate.
11	1,400	
12	1,800	
13	2,200	
14	2,600	
15 to 19	3,000	
20 to 24	4,000	Without medical certificate.
25 and upwards	5,000	

In some possible and exceptional case the old rules of invalid pension may be more acceptable than those now sanctioned, and it should, therefore, be notified that all now in the Department should, at the time of retirement, be allowed an option between old and new rules.

14. With reference to this scale of pensions, I observe that your Excellency writes, in para. 12 of your letter, as if a pension of *Rs.* 5,000 per annum, after 25 years' service, was obtainable by right, whereas no pension is now claimable

up to that limit of service, or, indeed, until 30 years' service have been completed, except on medical certificate. By the new rules, however, an officer, after 20 years' service, will be permitted to retire on the pension he may be entitled to by length of service, irrespective of medical certificate, a relaxation of existing rules which constitutes of course a considerable benefit to the body of the Service. In addition to this, I am prepared to offer further advantages in respect to the pensions of the members of the Department who have served in the high and responsible positions of Chief Engineer and Superintending Engineer, these officers being in my estimation entitled to special consideration. I accordingly propose to authorise the grant to any officer who may have served three years as a Chief Engineer, or who may have been graded as such, an extra pension of *Rs.* 2,000 per annum, irrespective of his total period of service, in addition to the pension which he would receive under the scale now proposed by your Government. An extra pension of *Rs.* 1,000 per annum may be granted in like manner to any officer who may have served three years as a Superintending Engineer. These extra pensions will, however, be only granted at your discretion as rewards of approved services.

15. The new scale of pensions, with these additions, will in future be applicable to all the European Civil Engineers of the superior engineering branch of the Public Works Department.

16. As regards the time spent on furlough, which is to count as qualifying for pension, I sanction the proposals made in the 14th paragraph of your letter, subject, however, to a reservation which will be found later in para. 19. I would, in addition to your proposals, retain the existing rule which gives "five years of leave during 35 years of service," in order to meet special cases which may occur.

17. The institution of a provident fund for members of the Department was suggested to you by the Despatch marginally noted,* in these words: "I would request you to consider "whether any, and what, encouragement could be given to a provident fund "for the benefit of officers of the Department, by which we could at least "encourage frugality, and return to those who adhered to it their savings with "interest on retirement, or to their families on death."

* No. 50, dated 8th September 1881.

18. In pursuance of this suggestion, your Government has submitted a scheme which involves, besides deductions from the pay of officers in the Department, substantial aid from Government to all officers in the grades of Executive and Assistant Engineers. There are, however, in my opinion, many objections to a direct contribution by the State to a provident fund in addition to the grant of pensions, and, moreover, such large deductions from the salaries of junior officers as you have suggested appear to me to be out of proportion to their means. I am unable to assent to the institution of the fund on any other basis than that of encouraging members of the Department to save a certain proportion of their salaries by allowing interest on their contributions. Subscription to such a fund should be open to all Civil Engineers now in the Department, or hereafter entering it. The contribution might properly be fixed at 5 per cent. on salaries, with voluntary contributions by members of a further 5 per cent., compound interest at 4 per cent. on such payments being annually credited by Government to each officer. The sum which will thus gradually accumulate to the credit of an officer will be his absolute property, to be handed over to him unconditionally on quitting the Service, or, in the event of his death before retirement, to his legal representatives. When it is ascertained to what extent officers now in the Department look on the institution of such a fund as an advantage, and avail themselves of it, it will be more easy than at present to judge whether it should be made obligatory on all Civil Engineers hereafter entering the Service to subscribe thereto. Meanwhile, I am not prepared to make subscription obligatory.

19. I have to add, with regard to the length of qualifying service for pensions (referred to in para. 14 of your letter), that, while I accept your proposals, it must be understood that, in accordance with the general principle established

on

on this point, the permission to reckon certain portions of furlough as service will apply only to those members of the Department to whom the more favourable leave rules are applicable.

20. Although not alluded to in your letter, the question of the pay of the Royal Engineer members of the Department is one which it is desirable now to consider. The opinion has already been expressed by my predecessors that the position in the Department of the Military and the Civil Engineers should, as far as possible, be assimilated, and the time has, in my opinion, arrived when the distinctions which now exist in their emoluments should be removed. I desire, therefore, that in future the salary of the Royal Engineer Officers admitted to the Department shall not be supplemented by military pay proper, but shall consist only of the salary of the grade or office in which they may be serving. I do not propose that any deductions shall be made from the present allowances of those who are in the Department, but on their promotion the new rule should be applied to them, provided they do not by promotion suffer any diminution in their total present emoluments.

21. Another point remaining for consideration is that of the relative proportions of Royal and Civil Engineers in the Department. The whole number of Royal Engineers is now 228, but should the separation of the Military Works Branch be determined on, a transfer of 127 will take place, leaving 101 on the general Public Works staff. You propose to maintain the number at 100, and to fix the proportion of Royal Engineers at 15 per cent. of the whole. On this question I reserve my opinion until I have come to a decision on the proposals for the separation of the Military Works from the Public Works Department of your Government, made in your Military Letter, No. 345, of the 24th September 1881.

22. You inform me in para. 25 of your Despatch, that you are "prepared to "admit Natives into the Engineer Establishment on two-thirds of the salaries "drawn by those appointed from England, and to afford every encouragement "to their entering." This I entirely approve, and I wish you to consider how far it may be possible to adopt a scale of pensions for natives of India, corresponding to those now sanctioned by this Despatch, at two-thirds of the rates for Europeans.

23. To ensure any larger introduction of the Native element into the Department the provision of efficient means of instruction and practical training in different parts of India will be essential; and as this is a matter which has formed the subject of former correspondence, I need say no more on this occasion.

24. With respect to the remark made in para. 26 of your letter, I have to refer you to my predecessor's Despatch, No. 2, Public Works Department, dated the 5th January 1882, regarding the discretion left to your Government to make arrangements with Civil Engineers for short terms of service on particular works.

25. The request contained in the last paragraph of your letter for sanction to the application of the principles of the foregoing scheme to the superior officers of the Accounts Branch of the Department has been followed by your Public Works Letter, No. 14, dated 25th April last, which will be replied to separately. So far, however, as any of the officers of this branch have been recruited from the Engineer Branch, it will doubtless be proper to extend to them the advantages they would have received had their transfer not taken place.

26. Apart from the questions of promotion, pay, and pensions, there are other points connected with the Civil Engineering section of the Department which I consider it desirable to refer to. I have been made aware that there is among the Civil Engineers an impression that they do not receive their due share of the appointments in the Secretariats, or in the department of Railway control. I do not know how far there is real ground for complaint on this score. Nor do I desire to interfere with the discretion which is exercised by the authorities in India in the selection of individuals for certain offices. I will only express my confidence that the choice of fit persons will be made with perfect impartiality, and that no grounds will be allowed to exist for such

apprehensions as those which have been expressed. I am not aware of any reason why competent Civil Engineers of the Department should not hold the office of Consulting Engineer for Railways, or have equal opportunities to qualify for that position with officers of the Royal Engineers.

27. Another point on which I find that strong feelings are entertained by the Civil Engineering Members of the Department is in respect to their designation as Uncovenanted Servants. Under the special rules regarding their pay, pensions, and furloughs which have now been provided for them, they will no longer come under the general Uncovenanted Service rules, and a special chapter will have to be introduced in the Pension Code to meet their case. The term is, therefore, no longer applicable to them, and should be dropped in India as it will be here in all official notifications.

I have, &c.
(signed) *Kimberley.*

No. 15.—Public Works.

Government of India.—Public Works Department.—General.

To the Right Honourable the Earl of *Kimberley*, Her Majesty's Secretary of State for India.

My Lord, Simla, 21 April 1884.

We have had the honour to receive your Lordship's Despatch, No. 18, dated 22nd March 1883, regarding the reorganisation of the Engineering Branch of the Public Works Department.

2. This matter has been from time to time under consideration for several years past; but in 1881* your Lordship, disapproving of certain proposals of a temporary nature which we had made, expressed a desire "to lay down the general lines at least of a scale of establishment which may be capable of permanent adoption," and pointed out that "the object is to form a compact and well-arranged staff of highly qualified officers, composed of a due proportion of Royal and Civil Engineers, both European and Native, properly remunerated in reference to the duties they perform, and with fair hopes of advancement and of ultimate retirement on appropriate pensions; and when additional strength is required for carrying out an extended system of works, which it would be beyond the power of the Department to perform, to obtain it by the temporary engagement of persons specially qualified for the work required to be done."

* No. 50 P.W., dated 8th September 1881.

3. Taking advantage of this permission, and of certain suggestions of your Lordship, we submitted a complete scheme, the principal features of which were as follows:

No. 50 P.W., dated 16th December 1881.
No. 8 P.W., dated 20th February 1882.

1st. Reduction of the sanctioned strength of the Engineer Establishment (excluding the Military Works Branch) from 827 to 761. Expansion of work to be provided for by Engineers entertained temporarily.

2nd. Reduction of recruiting by one-fourth of the normal number until supernumeraries are absorbed.

3rd. Redistribution of grades of officers, so that Chief and Superintending Engineers should be one-tenth of the whole; that Executives and Assistants should bear to each other the proportion of 2 : 1; and that Executives should be graded in proportions as 6, 7, 8 and 9, the effect of this being that an officer would reach the 4th grade of Executives in 10 years, and the 1st grade in 22 years.

4th. Compulsory retirement of officers who are a full grade behind the average rate of promotion.

5th. Improved pensions, on a graduated scale, for every year of service from 10 years upwards, and increase in periods of furlough allowed as qualifying service.

6th. Establishment

6th. Establishment of Provident Fund on the basis of compulsory deductions from salary, and duplication by the State of amounts deducted from the classes below Superintending Engineers, Royal Engineers and Staff Corps Officers being excluded, but allowed to make voluntary contributions.

7th. Natives entering the Engineer Establishment to receive only two-thirds of the salary of Engineers appointed in England.

4. To this communication your Lordship's Despatch now under consideration is a reply, which may be thus summarised :—

1st. The 1st, 2nd and 7th proposals regarding sanctioned strength, recruitment and pay of Native Engineers are approved.

2nd. As regards redistribution, the proposed proportions of Executive Engineers *inter se* are approved, but an equal number of Executives and Assistants, instead of the proposed proportion of 2 : 1, is considered sufficient; the gradation of Executives is fixed as 8, 9, 10 and 12; and a fixed number of Chief and Superintending Engineers is deemed inconvenient and unsuitable to the fluctuating needs of the Department.

3rd. Compulsory retirement is disapproved, except in the case of officers who have not reached at the age of 50 the rank of Superintending Engineer, and whose services the Government does not wish to retain on special grounds.

4th. Pensions on the principle of right to retire on reduced pension at any period of service exceeding 10 years are disapproved, but a new scale of pensions, contingent on medical certificate, up to 20 years only, and providing discretionary increases in the case of officers who have served or been graded for not less than three years, is proposed. The extension of furlough as qualifying service is limited to officers enjoying the more favourable leave rules.

5th. Provident Fund.—The rate and compulsoriness of the deductions proposed, as also the direct contributions by Government, are objected to; but a voluntary fund, with rates of 5 and 10 per cent. deduction, upon which the State should give annual compound interest at 4 per cent., is suggested.

Besides the above the Despatch refers to various other matters, which will be presently noticed in due course. The most important of these is the discontinuance of Military pay proper to all Royal Engineers in the Department.

5. In the first paragraph of the Despatch your Lordship, while authorising us to carry into effect any of the conclusions contained in it with which we concurred, added that if, after full consideration of its contents and the whole circumstances of this difficult subject, we desired any modifications, the suggestions we might make should receive full consideration.

6. Under the discretion thus allowed, the effect of the new proposals for reorganisation was actuarially examined in our Public Works Secretariat; and in order to meet the difficulties arising out of the existing abnormal irregularities of age and service, a scheme of promotion by annual increments was suggested by the Secretary in that Department, Colonel W. S. Trevor. That officer likewise made an elaborate comparison of the emoluments of Royal and Civil Engineers, and the proposal for discontinuance of Military pay proper to the former was also considered in our Military Department. These papers, together with a further note by Colonel Trevor, dated the 30th November last, on the pay of Royal Engineers, are forwarded herewith as enclosures Nos. 1 and 2.

7. The result of the preliminary investigations above mentioned was to disclose very serious difficulties both in the nature of the case and in the application of some of the measures desired by your Lordship. The matter appeared to be such as could best be examined, in accordance with the precedent

of 1880, by a Departmental Committee; but, considering the intricacy of the details and variety of distinct interests involved, we decided on constituting it on a somewhat wider basis than the Committees formed on that occasion. The Engineering Department as it stood in 1883 comprised the various classes, in the proportions detailed in the margin, which admitted of the constitution of a fairly representative Committee of ten members (one being a native), with Mr. G. L. Molesworth, C.E., C.I.E., as President. A copy of the Resolution constituting and instructing the Committee is appended (*vide* Enclosure No. 3). Such a Committee, we considered, would not only bring varied experience to bear on the points under consideration, but also possess the advantage, in the present state of feeling in the Department, of allowing all classes to be fairly heard.

Vide our Despatch No. 97 P.W., dated 2nd November 1880, and enclosures.

—	European and Eurasian.	Native.	Total Numbers	Representatives allowed.
Stanley - - Engineers	111	—	142	2
Other Covenanted - do.	31			
Cooper's Hill College do.	307	—	307	3
Roorki College - - do.	117	33	150	1
Others (from other Indian Colleges, Guaranteed Railways, &c.) - - - - -	133	41	174	2
Total Civil Engineers -	699	74	773	8
Royal Engineers - - - -	207	—	231	2
Staff Corps Officers - - -	24			
	930	74	1,004	10

8. The Committee met on the 3rd September last, and submitted by the end of the month a report, forwarded herewith as Enclosure No. 4. This report and the whole question have now been thoroughly examined, and we proceed to convey, for your Lordship's consideration, our conclusions on the several matters in issue.

Strength of the Department.

9. The Committee (Resolution I.) consider it "inadvisable to fix any definite and invariable strength for the establishment." It may readily be admitted that no strength now fixed is likely to do "duty for all time;" but there is ample proof in the history of not only our Engineering staff, but the Civil and Military Services, that the absence of an ordinarily recognized normal strength and the system of spasmodic increases and reductions, according to the policy of the hour, have been fruitful in past and present difficulties. This fact has long since been fully recognised in the case of the Civil Service, which is now constituted* on the basis of a fixed strength for all India, subject to revision only after a term of years, and of a corresponding fixed recruitment, all temporary or permanent increases found necessary in the interval being supplied by redistribution of charges or employment of extra native agency.

* *Vide* Government of India's Despatch, No. 71 (Home), dated 19th December 1881, *et subs.*

10. To the Engineering Service we think that the same policy should be applied, fluctuating needs being met by Engineers temporarily engaged, as already approved by your Lordship on several occasions. We cannot therefore concur in the Committee's Resolution II., which seems, indeed, to be incompatible with their Resolution I. Against temporary Engineers it is urged, (1) that they are scarce in India and will always demand high salaries; (2) that there are objections to importing temporary hands, who will be inefficient owing to their ignorance of the native language and customs; (3) that this semi-temporary service leads to hopes and perhaps claims for admission into the permanent staff. Objection (3) is discounted by our proposals for a fixed strength and mode of recruitment which, if accepted, will make it almost impossible to increase the permanent strength in the manner indicated. Objection (1) has to be proved, and is now on its trial. It may be admitted that there is some force in the objection (2) as to importing temporary men from England. Judging from the present experience of one year, however, it seems that we have been very fairly successful in obtaining competent temporary Engineers in India; and we have had three applications for these appointments from men out of India—one from England, one from Australia, and

and another from Ceylon—possessing foreign experience and willing to come to India at their own expense. As men in the country get experience of this temporary employment, it seems likely that there will be a more constant supply of candidates, especially from amongst students who pass out of the Indian Colleges as Engineers, but fail to obtain the guaranteed appointments on the permanent establishment. The statement in the margin shows the number of temporary Engineers now employed on various public works. Several of them have entered upon a second year's engagement.

Rate of pay.	Madras.	Bombay.	Bengal.	N. W. P. and Oudh.	Punjab.	Assam.	State Railways.	Total.
Rs.								
950	–	–	–	–	–	–	2	2
800	1	–	–	–	–	–	1	2
750	1	–	–	–	–	–	–	1
650	1	–	–	–	–	–	1	2
600	–	–	–	–	–	–	1	1
550	–	–	1	–	–	–	3	4
500	–	–	–	–	–	–	–	–
450	–	–	–	–	1	–	2	3
400	–	1	–	1	–	–	–	2
350	4	–	–	–	–	–	2	6
300	1	–	–	–	–	1	2	4
Total -	8	1	1	1	1	1	14	27

We may here remark, however, that we do not expect that the employment of temporary Engineers will be largely resorted to, for some years at any rate, as there will be supernumeraries in the Department itself available for extra work.

11. The numbers to be adopted as normal strength must now be considered. The number in the Department on 1st January 1884, including the lately arrived recruits, may be taken at 1,013, comprising the classes shown in the margin. The present nominal sanctioned strength is 954, or 880, exclusive of the existing Military Works Branch, as explained in our Despatch No. 50 P. W. of 16th December 1881, and a further gradual reduction of 66 officers within the next few years was contemplated in that communication, thus establishing a normal strength of 888, or 761, exclusive of that Branch after certain transfers to it from the Public Works Department have been carried out.

	Royal Engineers.	Civil Engineers.	Staff Corps Officers.	Total.
On deputation out of the Department - - - -	11	29	1	41
In Military Works Branch	68	–	6	74
In Civil Works Branch -	134	747	17	898
	213	776	24	1,013

12. On a complete re-examination of the question, however, we find reasons for doubt whether such a reduction will be practicable.

In the first place, it would seem that, in the calculations resulting in the figure of 954, sufficient regard was not had to the large number of officers on deputation out of the Department, that is, lent to Native and Foreign States, Railway Companies, &c. The number of such officers is now 41, and is likely to increase rather than to diminish under the policy inculcated in your Lordship's Despatches specified marginally. Moreover, we have lately supplied two Irrigation Engineers to the Egyptian Government, and are just about to send two more. A full margin for these calls must obviously be allowed in the sanctioned strength and annual recruitment, though no extra expense is incurred thereby.

No. 128R, dated 28th September 1882, and No. 27R., dated 15th February 1883.

Next, the calculations comprised an allowance of only 10 per cent. for absentees, but this is quite insufficient, and affords a substantial grievance, which is represented by the Committee in Resolution V. The allowance which has been finally ascertained* to be necessary in the case of the Civil Service is 20 per cent. of the whole service, and we do not think that less than 15 per cent. will suffice for the somewhat differently circumstanced Engineer Establishment.

* *Vide* paragraph 24 of Note accompanying Despatch No. 71 (Home), dated 19th December 1881.

Thirdly, an important and growing drain on the staff available for new works arises from year to year out of the withdrawal of officers to the "Revenue Establishment" for the maintenance of railways and canals. Every under-

taking on its completion carries off a certain proportion of officers, and though we do our best to keep down the numbers by engaging outsiders on the "non-pensionary scale," such withdrawals can never be avoided altogether. The Committee's Resolutions III. and IV. relate to this subject. There would not be any financial advantage, while there would be some administrative inconvenience, in the separation of such officers which the Committee recommend; but we think that the fact that such officers practically pay for themselves should not be overlooked when considering the strength and cost of the whole Engineering Establishment. Their number at present is no less than 185.

Fourthly, an increased rate of railway extension in future, which will add to both the direct operations of the Department and the calls for loan of its officers to private Companies, appears probable, and is now under the consideration of a Select Committee of the House of Commons. Even if the contract system be largely employed on State Railways, the supervision of contractors will employ a considerable staff.

Finally, there seems some reason to doubt whether the transfer of Military Works in Madras and Bombay can be effected without either some increase of staff or a reduction of the Royal Engineers to be given over below the number of 53, which has been estimated for in the proposal which fixes the ultimate strength of the Military Works Branch at 127.

In corroboration of the general tendency of the above remarks, we would cite the opinion of the Committee on Resolution I. (page 20), and the constant applications for more men which we receive from Local Governments, together with the fact that we have at present 27 temporary Engineers in our employ.

13. The preceding considerations all point towards the insufficiency of a fixed strength less by 125 officers than the number now permanently in the Department, and by 152 than the total employed, including temporary Engineers. No practical difficulty can, indeed, result at present from fixing an insufficient standard, because the elimination of supernumeraries will be a process of several years. But, on the other hand, it seems rash to act on any anticipation that the calls on the Department for officers, for one purpose or another, will be less some years hence than now.

Present strength	1,013
Proposed do.	888
Difference	125

The only condition under which a lower standard might be adopted with confidence is, that a new class of officers, so far superior to Upper Subordinates as to be able to discharge satisfactorily the ordinary duties of Assistant Engineers, and recruited separately in India, shall be constituted. A proposal of this nature has already been negatived by your Lordship (Despatch No. 50 P. W. of 8th September 1881), and we are not disposed to revive it now, though some members of the Committee are in favour of doing so.

14. On the grounds mentioned, therefore, we are of opinion that it would be justifiable now to fix the total sanctioned strength at 1,000 instead of 954, or, in other words, at 873, excluding the *whole* Military Works Branch, as yet to be completely formed, but including some 40 or 50 officers on deputation who will be no burden on the finances of India, and also the staff on open Railways and Irrigation works, who practically pay their own way.

With a normal strength of 1,000, the number of supernumeraries to be worked off would not be so great as it would be with 954 or 888. In other words, the new normal number, though larger than the old, will be worked down to, with the proportionate recruitment proposed, in the same time as the latter. But in either case, some years of increase must necessarily precede any material reduction, as will be understood better by reference to Table K. in Enclosure 6. In the interval the supernumeraries will take the place of temporary men, as pointed out in paragraph 3 of your Lordship's Despatch under reply, and the chief value of the fixed normal number will be for the regulation of recruitments.

15. While thus stating our opinion as to what, in the *present* aspect of affairs, and bearing in mind that no typical standard can be attained except by

by recruiting up to it for many years previously, ought to be the fixed normal strength of the Engineer Establishment, we recognise the possibility that the present aspect may be changed by the anticipated Report of the Select Committee of the House of Commons on Railway Extension or by the devising of a scheme for an intermediary class of Native Engineers more satisfactory than those hitherto proposed. The cost of the higher normal strength, moreover, though necessarily very small for some years, would be considerable in the end. In this view, we should not object, if your Lordship thought such a course preferable, to defer for two or three years the consideration of the increase. No practical difficulty can result from this at present, as we have observed in para. 13.

16. We may here mention that, whenever a change in the fixed sanctioned number may take place, it will not suffice simply to increase or decrease the number of recruits. The entire establishment in its several grades should be revised, so that the rate of promotion may not be affected, but flow on regularly as before.

With regard to the Committee's Resolution VI., we agree that reductions should be made in Royal and Civil Engineers proportionately; but the Committee forget that Royal Engineers cannot be dismissed, or removed from the Indian list, by the Government of India. The most that can be done in their case is to extend the leave rules, as in 1879-80.

Rate and Apportioning of Recruitment.

17. For a fixed strength of 1,000 officers, the fixed annual recruitment would be 37, according to General Hannyngton's scale, which is certainly a moderate one. This figure corresponds, after allowing for the alteration in normal strength, with the 34 which has been recognised in previous Despatches as the recruitment required for a normal strength of 838.*

* See note to Table K.

18. In our Despatch No. 97 P. W., dated 2nd November 1880, we recommended that the recruitment should be diminished by one-fourth, because we had in view the eventual supply of one-fourth of the whole sanctioned strength of superior officers from a new class of men, to be called Deputy Engineers or Clerks of Works, and to be recruited independently. The constitution of such a class of men did not meet with your Lordship's approval; but, owing apparently to some misconception, or to a change of views not fully explained, the reduction in number of recruits was nevertheless provided for, notwithstanding that the original occasion for it had ceased, and that para. 21 of your Lordship's Despatch No. 50 P. W. of 8th September 1881 recognised that the recruitment must necessarily be regulated by the number fixed upon as the permanent aggregate strength of the Department.

19. The reduced recruitment thus established was accepted in our Despatch No. 50 P. W. of 16th December 1881, and in your Lordship's reply thereto, No. 18 of 22nd March 1883, as a mode of reducing the excess of officers in the Department over the new sanctioned strength. On the further examination of the whole question which has taken place since the receipt of the latter, however, we perceived that such a mode of reduction is at variance with the principle enunciated in para. 21 above quoted, a principle which is indisputably sound, and has been formally accepted by the Government of India in other cases. In order to avoid delay, we took the opportunity of referring to the question which was afforded by our report (No. 36 P. W. of 28th July 1883) on the memorials of various Associations of domiciled Europeans and Eurasians against their exclusion from the Public Works Department. We then remarked as follows:—

"We recommend that this decision be reconsidered, and that we should be permitted to recruit at once up to the full normal number of 25 required to maintain the Civil establishment of 660 members. Bearing in mind the serious inconvenience and heavy expense which has been caused in other establishments in this country, notably the whole Covenanted Civil Service and the establishment of the Madras Army, by short or irregular recruiting, we believe that it would have been advisable to adopt this arrangement in any case; but, under present circumstances, the change would be especially advantageous and opportune, as it would afford a way of meeting the difficulty which has arisen in connection with the Indian appointments to the

[See Home Department Despatch, No. 71 of 19th December 1881, and Military Department Despatch, No. 80 of 7th May 1883.

the Department. We do not overlook the fact that, by thus recruiting, from the first, in full proportion to the total reduced normal strength, the period necessary to come down to that strength will be prolonged, and that some additional annually cumulative expense will for a time be incurred. But we consider that any such outlay, which would be inconsiderable in at least the earlier years, would be very preferable to bringing upon the Engineer Establishment the well-known evils to which we have referred, and would probably be no more than equal to the cost which relief measures in mitigation of those evils would inevitably involve."

20. We fear that we did not express with sufficient clearness the state of the case, for your Lordship's reply (para. 27 of Despatch No. 74, dated 20th December 1883) runs thus:—

"27. I regret that I am unable to assent to the proposals made in the 6th and 7th paragraphs of your letter under reply, to increase the number of appointments made yearly to the Public Works Department in excess of the number which it has been shown will suffice to maintain the establishment at the strength which you consider sufficient. It is only by a strict adherence to the rule that no over-recruitment shall be in any case permitted that trouble can be avoided in the future and stagnation in the service be prevented. The experience in all branches of the public establishments of the necessary results of neglect of this rule is too recent and too serious to allow of any intentional departure from it."

We beg to explain that what we desired was, not to make any appointments in excess of the number necessary to maintain the establishments at the reduced normal strength, but to be allowed to recruit up to that number instead of 25 per cent. below it. Under-recruitment obviously produces, in the end, just the same evil effects as over-recruitment. Undue promotion prevails for a time, accompanied by a deficiency of hands. The latter soon necessitates over-recruitment, to fill up the gap caused by under-recruitment, and the concomitant evils of both errors succeed each other in a vicious circle. As our views regarding these evils are identical with those of your Lordship, we trust that, under this explanation, the full regular recruitment, namely, up to the full number of 34 on the present revised strength of 888 (or the further number of 37 on a strength of 1,000), may be restored at once.

Regarding the apportionment of this recruitment between the Indian and English Colleges, which is shown in the margin, we shall fully address your Lordship separately, in reply to Despatch No. 74 of 20th December last. We are not aware of the inferiority of the Indian Colleges in respect of practical training, postulated in the Committee's Resolution XXVII., and we see no sufficient reason for a reversion in part to the system of recruitment by open competition, as recommended in the Committee's Resolution XXVIII.

—	On 888.	On 1,000.
Royal Engineers - - -	9	9
Cooper's Hill College - -	14	15
Indian Colleges - - - -	11	13
	34	37

Re-adjustment of Grades.

21. Your Lordship's proposals on this subject, already summarised above in paragraph 4, Clause 2nd, have been very carefully considered from an actuarial point of view (*vide* Notes II. and III. in Enclosure No. 1), with the result, in the first instance, of showing—

1st.—That the equalisation of numbers in the grades of Executive and Assistant Engineer would indeed give a fair start, but would result in the gradual retardation of the rate of promotion to the Executive class until, in about the year 1900, Assistants would have to serve 16 years before attaining the latter.

2nd.—That a rate of promotion corresponding to a service of about ten years in the Assistant class could be established by a sliding scale, varying year by year for the two classes, but that it would eventually bring about a proportion between them of 2 : 1. This proportion we, on further consideration, agree with your Lordship (paragraph 4) and Mr. Molesworth (Opening Address) in condemning as unsuitable to the practical conditions of work.

3rd. That

3rd.—That the scale of 8, 9, 10, and 12 for the Executive grades would, concurrently with the above, gradually establish a block of promotion in the 4th grade of Executives.

4th.—That it would be possible, by an elaborate series of quinquennial adjustments of scale, to push out gradually through the several grades the inequalities of age and numbers which now block the Department, while affording a fair flow of promotion, and working up to a typical strength and recruitment.

There thus appeared *primâ facie* grounds for supposing that these proposals, if adhered to permanently, would not effect the objects desired. It seemed, however, from your Lordship's 6th paragraph, that the necessity of some modifications at an early date was foreseen, though their nature was not indicated; possibly they might be towards the establishment of a proportion between Executives and Assistants of 3 : 2 as in General Strachey's Scheme of 17th May 1881, from which the scale of 8, 9, 10, and 12 is derived. In view of these difficulties, and also of the fact that *none* of the schemes hitherto discussed had gone beyond the establishment of a typical scale, into the arrangements necessary for getting the present heterogeneous *personnel* of the service through the transition stage, we considered further detailed examination of the question by experts to be indispensable. In illustration of this difficulty, we append a diagram (Enclosure 5) showing the remarkable irregularities, due to unequal recruiting in the past, in age and in numbers, among the men of each year of standing in the service, as also the very uneven distribution, in respect of standing, of Royal and Civil Engineers, and officers of the Staff Corps.

At this stage our Secretary in the Public Works Department, Colonel W. S. Trevor, being of opinion that the impossibility of securing a more rapid flow of promotion by any form of the gradation system which had hitherto been suggested was thus established, drew up a scheme for substituting a system of incremental salaries dependent on length of approved service (*vide* Notes V., VI., and VII. in Enclosure No. 1). This scheme contemplated, in the first instance, the placing of every individual officer in the Department in the position to which he was entitled under a typical standard of qualification, based on departmental standing, and then raising his pay by annual increments, subject to duplication or suspension in the case of meritorious service or the reverse. By this, it was claimed, the present difficulties of transfer from one list or Province to another, without trenching on personal rights and prospects, would be overcome, while all would be assured a fair flow of promotion.

22. The relative merits of a graded and an incremental system of promotion were very thoroughly discussed by the Committee, and Resolution VII. in favour of the former was only passed by a majority of six to five. We believe that the subject has attracted much attention throughout the Department, both at the time and since, and that the balance of opinion generally endorses this verdict. The majority of the Committee, while preferring the graded system, consider that it might be better regulated; and upon Resolutions VIII., IX., and X., recommending (1) the adaptation of the various grades to more appropriate periods of service, (2) the conversion of 4th grade Executives into Assistants, and (3) the revision of salaries to suit these new conditions, the Committee are unanimous.

23. As we consider these recommendations to be substantially reasonable, a scheme to meet them has been devised by Colonel Trevor, which we desire now to submit for sanction. This is a question of such intricacy that it has been found necessary to devote to its consideration a separate note and series of tables, in which the scheme has been fully explained (*vide* Enclosure No. 6). The scheme is drawn out for a normal strength of 888, but it is applicable, of course, to any strength which may be determined on, provided that recruitment up to the full ultimate strength is begun at once and regularly continued.

24. According to this scheme, it is also proposed to increase in the three

higher grades, by Rs. 50 each, the pay of Civil Engineers and Staff Corps officers who are on the consolidated rate of pay, that is to say—

the pay of the 1st grade from Rs. 950 to Rs. 1,000,
2nd „ „ „ 800 „ 850,
3rd „ „ „ 650 „ 700,

and to have three Executive and three Assistant grades corresponding to the four Executive and two Upper Assistant grades as now constituted.

The present 3rd Assistant and Apprentice grade will remain, as now, outside the above graded establishment, and will be filled, as now, by the Indian recruits, who will also, as at present, be promoted into the graded establishment after passing the prescribed periods in these grades, and after passing the necessary examination for promotion to the present 2nd grade (new 3rd grade) of Assistants.

25. The rates of promotion which it is desired in this scheme to establish commencing from the year 1884, are as follows :—

To the 2nd grade of Assistant after 3 years' service.
„ 1st „ of „ „ 6½ „
„ 3rd „ of Executive „ 11 „
„ 2nd „ of „ „ 14½ „
„ 1st „ of „ „ 19 „

The manner in which this flow is to be maintained, and the restriction necessary at starting, are fully explained in the note and the tables appended thereto. We trust that these grades will be ordinarily attained in the periods contemplated; but in order to meet occasional cases of hardship, increments of Rs. 50 per mensem, which your Lordship (paragraph 9) desires to retain, might be allowed in the event of the posts of Executive 3rd grade and 1st grade not being reached in 12 and 22 years, respectively. This would also meet, to a certain extent, the suggestion in the Committee's Resolution XI.

These rates are somewhat more rapid than those proposed in paragraph 7 of our Despatch No. 50 P. W. of 16th December 1881; but not more so, we consider, than may be reasonably allowed, by comparison with other Departments, to a service technically trained and performing responsible and arduous duties under considerable exposure. They are substantially the same as the rates contemplated by your Lordship and General Strachey (No. 50 P. W. of the 8th September 1881), and as those advocated by the Committee.

We may here point out that your Lordship, in paragraph 7 of Despatch of 22nd March 1883, apparently considers the proportions of 8, 9, 10, and 12 as identical with those of 6, 7, 8, and 9 which we recommended; and they are practically the same for the distribution into grades of any given number of Executive Engineers. But by applying these proportions to only 442 Executives out of a total of 883 Executives and Assistants, as your Lordship desires, instead of to 588 out of the same total, as we proposed, the general effect is totally changed, and the rate of promotion becomes very seriously affected for the worse.

	Secretary of State.	Total.	Government of India.	Cumulative Total.	Government of India better by
No. of Executives and Assistants only*	883	—	883	—	—
No. of Executives	442	—	588	—	—
1st grade	90	90	118	118	28
2nd „	102	192	137	255	63
3rd „	113	305	157	412	107
4th „	137	442	176	588	146

* Taking present total sanction of 954.

26. The consideration of Colonel Trevor's scheme does not clash with the equalisation of numbers of Executives and Assistants, which we concur with your Lordship in considering desirable. We have therefore taken advantage of the sanction in your Lordship's 7th and 8th paragraphs to make a certain number of promotions at once, while reserving others for future years. A copy of our Resolution is forwarded herewith as Enclosure No. 8.

27. We concur in your Lordship's decision (paragraph 10) that the numbers in the Chief and Superintending Engineer classes must depend on the exigencies of work, and not on any arbitrary proportion. An increase in these classes will

will involve a corresponding decrease in the class of 1st grade Executives on the Civil or Military list, as the case may be.

28. We have said in paragraph 24, that the proposed increase of pay in the Executive grades is intended to apply only to Civil Engineers and Staff Corps men. The question of the relative emoluments of these classes and of Royal Engineers has been very exhaustively discussed in Note VI. of Enclosure No. 1 and in Enclosure No. 2. The Committee have recorded no Resolution on it, as we did not consider it necessary to refer it formally to them, but some observations will be found among the appendices to their report. The circumstances of the two services of Royal and Civil Engineers are so essentially dissimilar that it is most difficult, if not impossible, to make any strictly accurate comparison of their respective emoluments. At the same time, what has been written appears to us to establish the broad fact that, if all advantages, including such as it is now proposed to confer on Civil Engineers, be taken into account, the withdrawal of Military pay proper from the Royal Engineers will place the latter in a comparatively disadvantageous position. And we must add that the withdrawal of their Military pay proper from the Royal Engineers would involve a very serious alteration of the conditions under which the greater number of them entered the Department, and which, under the circumstances, we submit it would not be expedient, if indeed it would be just, to insist upon.

Under these circumstances, we beg strongly to recommend that your Lordship's decision (paragraph 20 of Despatch under reply) to discontinue the Military pay proper of Royal Engineers in the Department should be reconsidered.

29. We need not enlarge upon the ill-feeling which has unfortunately so long prevailed among the Civil members of the Department, originating in the inequalities which they believe to exist between their position and that of Royal Engineers in respect of promotion, pay, and pensions. Much of this feeling has arisen out of misapprehensions of fact which we trust the insight afforded by representation on the late Committee will have tended to remove.

30. For this state of feeling we are disposed to believe that the best remedy lies in diminishing the points of contact between the two classes, rather than in attempting an assimilation and fusion which it may be impossible, from the nature of the Military service, ever satisfactorily to carry out.

Such a diminution might perhaps be effected by the transfer of all Royal Engineers now in the Civil Works Branch from the list in which they are now mixed up with Civil Engineers to a new list, to be formed of them and the Royal Engineers in the present Military Works list combined. The same grades and proportions as have been, in preceding paragraphs, proposed for the Department generally might be fixed as the normal standard for this new Royal Engineers' list, and at once applied fully in the lower grades, and progressively in the higher ones, as the present preponderance of senior Royal Engineers in the Chief and Superintending Engineer classes is worked off by casualties.

31. The advantages of such a measure would appear to be these:—

1st. The ordinary promotion of Royal and Civil Engineers would be perfectly distinct in future, depending in each case on the casualties of one class alone, and no individual of one class could ever be said to supersede another.

2nd. The serious difficulties and discontent arising from Royal Engineers reverting to the British establishment after a term of Indian service, and being replaced by strangers from England who must be inserted in the lists according to their rank (see Resolution XXII.), would be avoided.

3rd. The complaints and occasional injustice caused by transfers from, and exchanges with, the Military Works List, and from the absorption of supernumeraries (Resolutions XXIII. and XXVI.) would be put an end to.

4th. The Royal Engineers, being thus placed on a separate list, might be dealt with separately as Military officers, their emoluments, gradation, rate of promotion, total sanctioned strength, pensions, &c., being varied from time to time as found best, without in any way affecting the Civil Public Works Department as such.

In fact, the Royal Engineers Branch of the Public Works Department would be in greater part an organization for Military Works, but lending to the Civil Works a supply of officers in such numbers and of such rank as might from time to time be wanted. This would, substantially, meet the desire expressed in the Committee's Resolutions XXII. and XXIV.

32. We are, however, aware that there must be considerable difficulties in practically effecting such a separation without injury to the prospects of promotion of either party. We have not yet been able to frame, to our own satisfaction, a scheme for effecting the object in view, but if we should hereafter succeed in doing so, we shall submit it for your Lordship's consideration.

33. The cost of the proposed re-adjustment of grades remains to be stated. The scale from year to year, and the cost for a service *not comprising natives on a reduced rate of pay* have, in the first instance, for convenience sake, been worked out from Colonel Trevor's note and tables, and are shown in Tables R. and S. appended as Enclosure No. 7, to which we would invite special attention. Table S. is intended to show the annual charges entailed by accepting the scheme drawn out in Table R., after making the necessary allowance for absentees, and also for officiating or temporary allowances. It will be seen that the immediate effect of the proposals will be to increase the charges by Rs. 5,53,000 per annum. The cost will, in theory at least, go on increasing year by year, until in the year 1892 it will be Rs. 14,58,000 greater than it is at present. Eventually, in A.D. 1914, with the ultimate establishment of 800 Executives and Assistants, the cost will be only Rs. 1,28,080 greater than at present. Supposing an ultimate establishment of 1,000 to be adopted, the extra annual charge on account of the increase would be only Rs. 16,800 in 1884-85, and it would not reach a lakh of rupees till 1890, but it would of course grow later on, as shown in table S 1.

The above figures, however, take no account, for the reason just given, of the intended conversion of one-third of the establishment into Statutory Natives drawing only two-thirds pay. This change can of course only come gradually into full effect, as the recruitment introduces Natives from year to year, but it will bring about a large saving on the above figures, both intermediately and ultimately. The calculation of reduction is given in Table S 2. In this place it may suffice to say that in 1914, when, *at the latest*, the typical condition will be attained, there will be a well-graduated service of 800 Executives and Assistants instead of 940, costing about 4½ lakhs of rupees less than at present.*

* See foot-note to Table S 2.

But it must also be remembered that (1) there will be a large set-off to this charge in salaries and pensionary contribution of the body of officers on deputation, which are paid by their employers, and are no charge on Indian revenues; (2) a further large portion of the charge is, as explained in the third clause of paragraph 12, for Revenue Establishment of open railways and canals, and therefore a directly productive outlay; (3) if the rule of retirement at 50 years be enforced with even moderate strictness, the increase of cost will not only be much less, but the subsequent reduction will be much more rapid; (4) the additional cost of the full recruitment which we have recommended in paragraph 20 will be inconsiderable for several years to come, and will, as it increases, be met to a very appreciable extent by increase also in receipts under the two first heads just named.

34. That it was impossible to secure a proper flow of promotion by any mere reorganisation not involving extra expense, has been more than once recognised in the course of our past correspondence with your Lordship, and indeed is self-evident.

This question of pay and promotion is one of the two fundamental questions involved

involved in the reorganisation, and we can only ask your Lordship to take it up in a broad and liberal spirit, remembering that if an efficient staff of Engineers is to be kept up, they should be treated with at least equal liberality with the other professional services. Under the circumstances, we submit that the proposals, although they involve a considerable increase of expenditure for a time, are not more than the necessities of the case demand, or than the finances, in their present improving condition, will be able to afford.

Improved Pensions.

35. The scale of pensions for European Civil Engineers approved by your Lordship, in paragraphs 13 to 15, although not in some respects so favourable as our proposal, possesses many compensating advantages; it may also be said to be, in the main, thankfully accepted by the Committee. There are, however, various subordinate points upon which a decision is still required. We have, therefore, while taking advantage of the permission in your Lordship's 1st paragraph to make known to the Department without further delay a concession on which they set much store, been careful to do so in general terms only, in a Resolution, of which a copy accompanies as Enclosure No. 9. We have limited the pensions to a certain proportion of average pay, as apparently desired in paragraph 18 of your Lordship's No. 50 P.W. of 8th September 1881. We will now notice the subordinate points in question, on which an early decision is desirable.

36. First.—In paragraph 15 of your Lordship's Despatch, it is said that "the new scale of pensions will be applicable to all the *European* Civil Engineers of the Superior Engineering Branch." We are uncertain whether "European Engineers" means only Engineers who have had a European training, or includes passed students of the Indian colleges. The latter class includes several non-Statutory Europeans,* as such used, up to recent times, to enter the Department through the Thomason College, and these can only be held to be excluded on the ground that "European Engineers" means Engineers who have had an European training.

* Principally sons of commissioned officers and civilians.

The Committee recommend (Resolution XV.) that all Engineers now in the Department should be admitted to the new terms. It is, doubtless, extremely desirable to abolish distinction in rules applicable to men of the same service; but it seems that if (*a*) all passed students of the Indian colleges, and (*b*) others (if any) trained and appointed in India,* were admitted wholesale, it would be an adoption of the principle of giving to Natives and Europeans the same pay and pension rules, which your Lordship would disapprove, and might also open the door to the admission of other classes of the Uncovenanted Service to similar privileges. In preference to this, it seems to us that it would be much better to confine the new rules to the four classes named marginally,† but that it would be equitable to declare that Government is willing specially to consider the cases of deserving Europeans (being such by birth, education, and habits) outside these classes, who may rise to the rank of Superintending Engineers in the Department. This is, we think, the utmost that can be reasonably claimed, and such a concession in favour of the best men who have entered the Department from the Indian colleges in time past would doubtless tend to smooth away inequalities which are really anomalous. Men so admitted specially would be but few, and there would be no more in the future, because it would be understood that men admitted to the Department in India in future would be ineligible.

* Nominal Classified Rolls have been prepared which will show the names and numbers of those who fall under each of the classes denoted, and, consequently, the names and numbers of those affected by the proposals. These classified statements (A to D) are appended as Enclosure No. 10, and are as nearly correct as they can be made at present.

† (1.) Stanley Engineers.
(2.) Cooper's Hill Engineers.
(3.) Others with short covenants sent out by the Secretary of State.
(4.) Guaranteed railway men, and others, who have been trained in England and taken into the employ of the Government of India.

37. Secondly. With reference to paragraphs 16 and 19 of the Despatch under reply, and to the Committee's Resolution XVII., it must be explained that the

classes who, under present rules, count a certain portion of furlough as pensionable service, are the following :—

(1.) Stanley Engineers.

(2.) Cooper's Hill Engineers.

(3.) All Civil Engineers appointed from England before 1st November 1873.

The Government of India originally recommended, in Despatch, No. 253, dated 20th August 1877, that this privilege should be extended to all not of purely Asiatic birth, but in the Secretary of State's reply, No. 63, dated 28th February 1878, it was confined to the above three classes to the exclusion of—

(4.) Guaranteed railway men, and others trained in England, but taken into the employ of the Government of India.

(5.) Passed students of the Indian colleges (European or Native).

(6.) Others (European or Native.)

In paragraph 19 of the present Despatch it is said that, in accordance with the general principle established, those only to whom the more favourable leave rules apply will enjoy the privilege of reckoning certain portions of service for pension. We would point out that there is a misapprehension here, for those who count furlough as service, and those who enjoy the more favourable leave rules are not the same persons. All of classes 4, 5, and 6 (not being pure Asiatics), who, on the 3rd January 1872, held the rank of assistant engineer, 3rd grade, or higher rank, come under the more favourable leave rules, as well as the other classes; but they do not, as already explained, count furlough for pension. Probably, however, your Lordship intended to limit the privilege to classes (1), (2), and (3), as at present.

What we would now recommend is the extension of the privilege, (*a*) to class (4) unreservedly, as this will bring under the same rule all *European Engineers* in the sense apparently used by your Lordship in regard to the new pension rules; and (*b*) as suggested in paragraph 32 in the case of the more favourable pension rules, to deserving individuals of classes (5) and (6) who are *bonâ fide* Europeans, and rise to the rank of Superintending Engineers. With reference to concession (*a*) we would state that there are a good many of class (4), some of them men high up in the service, who labour under this disability. All such anomalous inequalities are a source of constant irritation far out-weighing any petty advantage arising from them to the State, and we are in favour of eliminating them wherever this can be done.

38. Thirdly. The Committee's Resolution XII. recommends the extension of a privilege which is limited by the rules to trained Engineers appointed before the 1st November 1873 to a grade *above* the 1st grade of Assistants, to other Engineers similarly situated and appointed *in* the 1st grade of Assistants. The privilege is that of adding three years to the pensionable service in the case of those who did not receive a bonus from a Guaranteed Railway Company when they left the service of the latter. Thus the rule principally affects those who took Indian Government employ on their services being dispensed with by Guaranteed Railway Companies. The only extension in the rule, as it now stands, hitherto admitted by the Government of India, is in the direction of men who were appointed after the 1st November 1873 in the *Executive* grades. This date was fixed because it was then that the first batch of Cooper's Hill Engineers arrived. There is, however, only one trained Engineer who was appointed in the Executive grade after that date; Mr. Dibblee was another, but your Lordship has lately extended the privilege to him.

The number of such men so appointed *in* the grade of 1st Assistant is, however, larger. Such cases as this your Lordship would, doubtless, entertain favourably: for the correspondence on the subject, particularly paragraph 6 of Despatch No. 63, 28th February 1878, shows that it was never intended that any hard-and-fast line should be drawn. Looking, in fact, at paragraph 8 of Financial Despatch, No. 210, dated 6th July 1871, in which the concession was first mooted, it seems not improbable that, if in any individual instance hardship were

were proved by the limitation of the privilege to men appointed above the assistant class, the case must be favourably considered, the privilege having been then offered in general terms to *men of mature age*. We append (Enclosure No. 10E.) a list of the men who would be affected by a change in the rule, and we propose that the case of each of these should be considered on its merits, and that such additional service as may be considered fair, if any, and not exceeding three years, should be credited to them.

39. Fourthly.—In regard to the Committee's Resolution XVI, we do not think it desirable to extend to Executive Engineers the increased pension allowed to Superintending Engineers. We should say it would be better to take up any particular hard case than to make such a radical amendment in the rules themselves. Special recommendations made in such cases should be limited to men who had served in the 1st grade of Executives and had failed to obtain promotion to the Superintending Engineer Class *solely from there being no vacancy to which to promote them*. Such cases, it may be observed, may not be uncommon in some of the crowded years, when but a small number even of men eligible will obtain promotion to the higher posts.

40. Fifthly.—Resolution XVIII of the Committee applies to men of the permanent establishment who retired in 1879, and have been re-employed as temporary Engineers. These men may receive any salary not exceeding 950 rupees; but if their salary and the pension* they were granted in 1879 together exceed the substantive salary they were drawing at the time of their retirement in 1879, they have to cease drawing pension, or they can only be credited with so much pension as will bring up their new salary to their old. This is a matter on which there has been an immense amount of writing at various times, and which has given much trouble. The working of the rule, also, is difficult, and causes much correspondence. We have lately had a correspondence with the Bombay Government regarding deductions on account of pension, made under orders of Government, from the salaries of officers with whom a distinct contract had been made by the Southern Mahratta Railway Company for certain salaries. As a general rule, so long as the condition is fully known by these officers at the time of their engagement, they can, unless they expect the high pay (950 rupees) that can be given, so arrange their terms as still to get as much net pay as they expect; and there will probably be a tendency on the part of their employers to assist them in this. A case lately before us, in which the pay of an officer was actually raised in his second year's engagement to meet the difficulty, illustrates this fact, and there is no doubt that the officers engaged for the Southern Mahratta Railway, had they and the Company known the conditions, would have obtained higher salaries.

* Pension includes, for the purposes of this calculation, 5 per cent. on the special gratuity granted in addition to pension in 1879.

In the case of men retired similarly in 1879, and subsequently engaged by local fund committees and municipalities, it was determined, after long discussion, that no retrenchment of salaries should be made on account of the pensionary sums received by them, but that, in fixing their salaries under the local funds, due consideration should be given to the fact of their income being supplemented by those amounts. We have already shown that the same rule works the reverse way in fixing the salaries of men from whom deductions are made on account of their pensions; the effect being that their salaries, chargeable to the works for which they are engaged, are raised instead of being diminished. Under these circumstances, we do not hesitate to recommend that the action of Section 183 of the Civil Pension Code, sixth edition, be suspended.

We would add that it seems doubtful whether the operation of this rule upon appointments which are confessedly made for not more than a year, and, if continued, have then to be renewed, and some of which only do last a year, or less, is not contrary to Rule 3, Section 188 of the same Code.

41. Sixthly.—The Committee's recommendation in Resolution XIII, that the retirement terms of 1879 be re-opened, may conveniently be noticed last in the series regarding pensions. The proposal is, we believe, not made with any idea of accelerating promotion, and its acceptance would certainly not have that effect, but because there are a few Cooper's Hill Engineers who consider that they

they were brought into the service by representations regarding their prospects which have turned out to be incorrect.

This is so far true in that promotion has undoubtedly been slower than it would have been had the establishment been organised as it should have been for men entering the service with the prospects the Cooper's Hill men might reasonably expect, and as we now propose, rather late in the day, to organise it. If the terms of retirement were re-opened after the new scheme has been accepted and its intentions thoroughly explained to the Department, and were limited, perhaps, to those Cooper's Hill men whose promotion has been in the past slower than we propose to make it in the future, as explained in paragraph 10, we do not think many would accept the terms. At the same time, by having offered terms on these conditions, Government would have cleared itself with any of the men who consider themselves to have been injured irretrievably in their careers, and would start on a new basis, without any grounds for complaints on the part of the Engineers. There would be some advantage in this, but we think a decision on the point may be postponed for the present, until the new scheme has been put in working order.

42. In the cases explained in the preceding five paragraphs (36 to 40), we solicit your Lordship's approval of our recommendations.

Regarding compulsory retirements, we accept your Lordship's ruling in paragraph 11 of the Despatch under reply. It was also approved in the Committee's Resolution XX. We are entirely in favour of the policy of retirements at the age of 55, but do not see, with reference to the Committee's Resolution XXI, the necessity for any reiteration or strengthening of the rule on the subject.

Resolution XXV, recommending the retention in the Department of Royal Engineers who have been compulsorily retired under the age and length of service clauses of the Warrant of 1881, touches on a point which is of great importance to Royal Engineers of the Imperial List, but it need not be discussed here, as it is, strictly speaking, outside the present question, and is being separately considered between the Military, Public Works and the Revenue and Agricultural Departments.

We are unable, for obvious reasons, to support the Committee's Resolution XIV, that all pensions drawn out of India shall be paid in sterling.

The question of pensions for natives shall be separately considered, as desired in your Lordship's 22nd paragraph, and reported on hereafter.

43. This question of pensions may be considered the second fundamental one of the re-organisation, as the question of the rate of pay and promotion is the first. We forward, as Enclosure No. 11, a statement which has been prepared to show the probable annual charge on the revenues up to the year 1900, entailed by the extension of the new rules to Civil Engineers, as compared with what the charge would be under the old rules.

The increase in charge is not considerable, and even in the last two years, when the incidence becomes highest, it only amounts, when capitalised, to 2,71,701 rupees. The table shows the maximum charge for pensions on the supposition that all remain in the service until the age of 55, but the actual charge will, of course, be less, to whatever extent compulsory retirement at the age of 50 is practically enforced.

Provident Fund.

44. Your Lordship proposes to form a voluntary Provident Fund; 5 per cent. to be deducted from the pay of those who join it, and any one to be at liberty to contribute 5 per cent. in addition; compound interest at 4 per cent. to be credited annually; and the accumulated sum to be paid over on retirement, or, in the event of death, to the representatives; the question of compulsory contribution of those who enter the Department in future to be left over for the present.

The Committee recommend (Resolution XIX) that subscription to the fund be voluntary in the case of all those now in the Department, but compulsory on all who enter in future. They further recommend that all who wish be allowed to make a lump-sum contribution now, equal to what each would have subscribed had he subscribed from commencement of his service, compound interest

interest being allowed from date of payment; and they recommend as the rate of interest 2½ per cent., credited half-yearly, instead of 4 per cent. credited yearly.

The original proposal by the Government of India was to give 2 per cent. compound interest, credited half-yearly, on contributions of 50 rupees; but also that Government should double the contributions, so as to credit every officer below the rank of superintending engineer, with a monthly contribution of 100 rupees, namely, 50 rupees out of his present salary, and 50 rupees more as deferred salary. This was more liberal than the present proposal; but, on the other hand, it is contemplated now to increase the pay of the three higher grades by 50 rupees.

The Committee's proposal, as compared with that of your Lordship, would increase the eventual payment due to an officer retiring at 55 years of age as chief engineer, 1st class, after passing through all the grades, by 2,796 rupees only, as shown below,* so that the increase is not a very great mattter to the individual. At the same time, it would, in the aggregate, somewhat increase the annual payments to be made by the State. We are therefore prepared to accept the proposal of your Lordship as it stands. But we would submit that, in view of the Committee's recommendation that subscription should be obligatory on all who enter the Department hereafter, it is not worth while to defer making it so, as contemplated in the 18th paragraph of the Despatch under reply. We would also support the Committee's suggestion that back payments in the lump be permitted.

*

Period of Service.	Rank.	Pay.	Monthly Subscription to Fund.	Amount of Subscription at end of each Period.		Amount of Sums in Columns 5 and 6 at Date of Retirement.	
				According to Secretary of States's Proposal.	According to Committee's Proposal.	Secretary of State's Proposal.	Committee's Proposal.
1.	2.	3.	4.	5.	6.	7.	8.
		Rs.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*
1st year to 4th -	2nd Assistant Engineer.	350	17·5	892	909	2,781	3,304
5th „ 8th -	1st Assistant Engineer.	450	22·5	1,146	1,162	3,055	3,535
9th „ 12th -	4th Executive Engineer.	550	27·5	1,401	1,429	3,192	3,638
13th „ 16th -	3rd Executive Engineer.	700	35·0	1,791	1,818	3,439	3,874
17th „ 20th -	2nd Executive Engineer.	850	42·5	2,166	2,208	3,606	3,933
21st „ 22nd -	1st Executive Engineer.	1,000	50·0	1,224	1,242	1,884	2,026
23rd „ 24th -	3rd Superintending Engineer.	1,100	55·0	1,346	1,363	1,916	2,039
25th „ 26th -	2nd Superintending Engineer.	1,350	67·5	1,652	1,676	2,174	2,289
27th „ 28th -	1st Superintending Engineer.	1,600	80·0	1,959	1,987	2,383	2,482
29th year - - -	3rd Chief Engineer -	1,800	90·0	1,080	1,090	1,263	1,302
30th year to 31st -	2nd Chief Engineer -	2,000	100·0	2,448	2,484	2,648	2,715
32nd „ 33rd -	1st Chief Engineer -	2,500	125·0	3,060	3,105	3,060	3,105
						31,451	34,247
							31,451
						Excess of Fund at date of retirement according to Committee's proposal - - -	2,796

This table is calculated on the supposition that the sums are credited and interest begins to accrue at the end of each year, and may be taken as giving approximately correct results.

Miscellaneous.

45. We have observed, equally with your Lordship, the complaints which have from time to time been made regarding the distribution of patronage between Royal and Civil Engineers, and in appointments to the Secretariats and the Railway Control Staff.

The complaints regarding simple supersession arise, for the most part, from an ignoring of the sub-division of the Department into eight distinct lists, as per margin, and the further distinction, within some of these lists, between men employed on irrigation and other branches of work. Promotion on some of these lists is, from time to time, unavoidably faster or slower than on others, and, with every desire for impartiality, it is impossible for nominations to be made in an order at all corresponding with that in which all the engineers would stand in one general list based on strict seniority. Occasionally, it is indispensable to transfer men from one list to another to redress glaring inequalities caused by varying rates of casualty, or to introduce into some list men who have been withdrawn for political or military duty under a promise of re-instatement. Moreover, while promotion by merit is the established rule, and a rule which the Department generally prefers to promotion by absolute seniority, it is obvious that the test of seniority, on which these complaints mostly rest, is inapplicable. We believe that the new gradation and scale of pay now proposed will tend to make such complaints less frequent than in times past, but inequalities are inseparable from a system of lists, and past experience has shown that any other system is impossible.

Madras.	Punjab.
Bombay.	Local Administrations.
Bengal.	Railways.
North Western Provinces and Oudh.	Military Works.

With regard to complaints of preference of Royal Engineers for high appointments, we would point out that at the present time the bulk of senior officers in the Department, and consequently in the superior grades, happen to belong to that corps, but that in a very few years the preponderance will be the other way. We append, however, a statement (Enclosure No. 12) of the *personnel* of the Administration on the 1st January 1884, which will show that a considerable proportion of superior posts of trust and importance are now held by Civil Engineers, and that we have now two Deputy Consulting Engineers for Railways, and one Under Secretary to the Government of India, who belong to that branch. We can only assure your Lordship of our desire invariably to select, without distinction of class, the individuals who may be most competent.

We have, &c.
(signed) *Ripon.*
D. M. Stewart.
J. Gibbs.
T. F. Wilson.
C. P. Ilbert.
S. C. Bayley.
T. C. Hope.
A. Colvin.

Public Works.—No. 71.

To his Excellency the most Honourable the Governor General of India in Council.

India Office,
My Lord Marquis, London, 13 November 1884.

1. IN continuation of my Despatch of the 22nd March 1883, No. 18, Public Works, in which, with reference to the earlier part of your Letter No. 15, Public Works, dated the 21st April last, I communicated to your Excellency the conclusion at which I had arrived as to the normal strength of the engineering branch of the Public Works Department and the rate and apportioning of recruitment for the next three years, I have now to convey to you my decision in Council in regard to the other points connected with the general subject of reorganisation which were noticed in that letter, and remain for settlement.

2. The first and most important is that of the readjustment of grades and the fixing of salaries. It has been agreed that the classes of Chief and Superintending

intending Engineers shall "depend on the exigencies of the work, and not on any arbitrary proportion." It is, therefore, only necessary to deal with Executives and Assistants.

3. It was proposed in my Despatch of the 22nd March 1883, that there should be an equal number of executives and assistants. You are of opinion that, although an equality would give a "fair start," it would result, in 16 years' time, in causing assistants to serve 16 years before attaining the rank of executive, and in producing a block of promotion in the 4th Grade of Executives. All the various schemes suggested, when scrutinised, have, on the calculations made, been found to fail in some way or other, in accomplishing all the objects desired, and this led to a proposal to establish an incremental system, by which pay would be annually increased, subject to certain conditions. Such a plan, however, appears to me, and to the majority of those consulted, to be unsatisfactory.

4. The scheme you now submit for sanction would largely increase the numbers in the higher grades, and would divide the service into three grades of executives, and three of assistants, the consolidated pay of all the executive engineers being increased by 50 rupees each per mensem, and a second grade of assistants being introduced at 450 rupees; increments also of 50 rupees per mensem being allowed to those who may not have reached the position of third and first-grade executives in 12 and 22 years respectively.

5. The immediate additional cost of these changes would be 5,53,000 rupees per annum, and is estimated by you to reach a maximum of 14,58,000 rupees in 1892, and to diminish in 1914 to 1,28,080 rupees.

6. With every desire to consider this matter in a liberal spirit, I regret that I am unable to see sufficient justification for sanctioning so large an increase to the expense of the permanent staff. I admit, however, that in the middle grades, there are grounds for reconsidering the rates of pay, and I am quite prepared to make some concesions in the direction proposed.

7. While maintaining the existing pay of the first and second grade executives at 950 rupees and 800 rupees per mensem respectively, I sanction your raising the third and fourth grades to 700 rupees and 600 rupees. It seems to me also especially necessary to improve the position of the assistant engineers, and I authorise the pay of the first grade being fixed at 500 rupees, and that of the second grade being continued at 350 rupees, with an addition of 50 rupees per mensem to all who have served three years in it. You will understand that the increased pay, sanctioned in paragraph 9 of my former Despatch for executive engineers of the first grade after four years' service, is to be maintained.

8. In sanctioning these improvements in the remuneration of the superior engineering service, it has, you will observe, been my desire that the change should be made with as little disturbance as possible of existing arrrangements. I am not, therefore, disposed to approve of any alteration in the system of grading now adopted. In order to secure a more even flow of promotion, I sanctioned, in my former Despatch, the proposal that the number of executives and assistants on the list should be made equal. After deducting 64 from the normal strength of 888 for chief and superintending engineers, there remain 824, of whom 412 would be assistants, with 206 in each grade, and 412 executives, who may be divided in the proportion of 8, 9, 10, and 12, as before sanctioned, and contain, say, the following numbers:—1st, 82; 2nd, 94; 3rd, 108; 4th, 128. The present number being in excess of 888, there will necessarily be supernumeraries. I see no objection to your dividing them in the same proportions. But I leave it to you so to arrange that they shall be fairly placed, and that no block to the general promotion should be produced thereby.

9. You state in paragraph 35 that you have adopted the scale of pensions proposed in my Despatch of 22nd March 1883, and you have made the Department acquainted with this decision by your Resolution, No. 449, of the 18th April 1884. You point out that it is not quite clear which of the European Engineers in the service are to come under the new rules. The rules were

applicable, under my former Despatch, to the first three classes * mentioned in your 37th paragraph, and it was proposed in paragraph 19 of my former Despatch to give the privilege of counting furlough for pension to all entitled to the more favourable pension rules, but to no others unless specially admitted.

* I. Stanley Engineers. II. Cooper's Hill Engineers. III. All Civil Engineers appointed from England before 1st November 1878.

10. In order to remove as far as is reasonable all inequalities, and especially with the view of not retarding promoton, I agree to admit to the new pension rules, including all the privileges above-mentioned, the Engineers with English training appointed in India whose names are contained in Lists (*a*) and (*b*) of Appendix B. to Enclosure No. 10 of your letter under reply.

11. As regards the 5th and 6th classes† referred to in your 37th paragraph, I do not object to your proposal to consider favourably from time to time the cases of officers who rise to the rank of Superintending Engineer, but the same privilege should be extended to Natives, with any general restriction that may be prescribed as to the amount of pension payable to public servants who are natives of India.

† Passed students of the Indian Colleges. Others (European or Native).

12. I may here state that I cannot consent to extend to Executive Engineers the extra pension sanctioned for Superintending and Chief Engineers.

13. You have raised in paragraph 38 the question of adding time to the pensionable service of certain Engineers who have been appointed to the Department after they have left other employment in India. I consent to your allowing, on account of previous experience, a period not exceeding three years to the service qualifying for pension of any of the officers mentioned in Appendix E. to Enclosure 10, provided such previous experience was not acquired before the age of 25.

14. As regards the retrenchment of salaries to officers employed by local authorities and companies on account of pensions which have been allowed to them upon leaving the service of Government, it has already been decided that men so employed should not be mulcted of their pensions, and I approve of the suspension in such cases of the effect of Section 183 of the Civil Pension Code.

15. I see no valid reason for the proposal (paragraph 41) that the retirement terms of 1879 should be reopened. There are great objections to such a measure, and I cannot encourage the expectation that it will be entertained if brought forward.

16. In regard to the Provident Fund, I am not disposed to alter the terms stated in my Despatch of March 1883, but I agree that subscriptions should be compulsory on all who join the Department in future. I am willing also to allow those now in the Department, who wish to join the fund, the option of paying up arrears at the authorised rates from the commencement of service, but, of course, with interest only from the date of payment.

17. Upon a reconsideration of the question of withdrawing military pay from the Royal Engineers in the Department, I agree with you in the conclusion that the pay in question may be continued as heretofore; but I do not approve of the proposal to establish separate lists of the Civil Engineer and Royal Engineer members of the Department, and I am not surprised that you found great difficulty in framing any scheme for the purpose.

18. I trust that the scheme of reorganisation which has now been sanctioned will fulfil the objects which, during the long discussions on the subject, have been continually kept in view by your Government, and by successive Secretaries of State in Council, and that the series of changes which have been made, embracing as they do a very considerable improvement in the scale of both pay and pension, may produce more rapid promotion and an amelioration in the position of the Department generally.

I have, &c.
(signed) *Kimberley.*

EAST INDIA (PUBLIC WORKS DEPARTMENT).

COPIES of or EXTRACTS from CORRESPONDENCE relating to the Relative Position of CIVIL ENGINEERS and of Officers of the ROYAL ENGINEERS in the PUBLIC WORKS DEPARTMENT.

(*Sir George Balfour.*)

Ordered, by The House of Commons, *to be Printed,*
22 *December* 1888.

[*Price* 4½ *d.*]

439. *Under* 4 *oz.*

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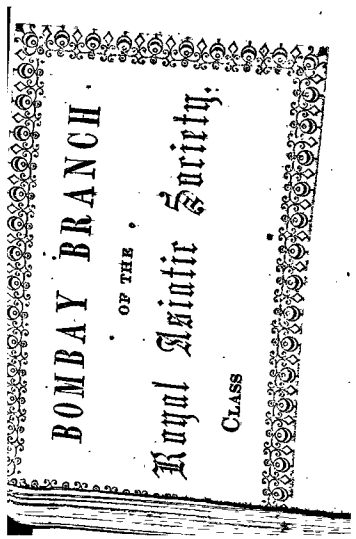

EAST INDIA. ACCOUNTS AND ESTIMATES, 1889-90.

EXPLANATORY MEMORANDUM

BY THE

UNDER SECRETARY OF STATE FOR INDIA.

Presented to both Houses of Parliament by Command of Her Majesty.

LONDON:
PRINTED FOR HER MAJESTY'S STATIONERY OFFICE,
BY EYRE AND SPOTTISWOODE,
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HODGES, FIGGIS, & Co., 104, Grafton Street, Dublin.

1889.

[C.—5774.] *Price* 5½*d.*

Memorandum by the Under Secretary of State for India, relating to the Accounts of the Government of India for 1887-88, and the Estimates for 1888-89 and 1889-90.

[*Note.*—With the view of marking clearly the distinction between Pounds sterling and Tens of Rupees, the notation of £ for the former and Rx for the latter has been adopted in the Accounts and Estimates.]

The following are the documents laid or to be laid before Parliament this year, in respect of the Financial Position of India:—

Finance and Revenue Accounts of the Government of India for 1887-88 (on which the formal Resolution to be submitted to the Committee will be based).

Home Accounts of the Government of India: Account for 1887-88, with Estimate for 1888-89, &c. (No. 141 of 1889).

Estimate of the Revenue and Expenditure of the Government of India for 1888-89, compared with the Results of 1887-88 (No. 145 of 1889).

Returns of Loans raised in India and in England (Nos. 378 of 1888, and 30, 102, and 214 of 1889).

Indian Financial Statement for 1888-89 (No. 123 of 1889), with which are included the Proceedings of the Council of the Governor General thereon.

Statement of the Trade of British India from 1883-84 to 1887-88 [C.—5680.]

The Administration Report on the Railways in India for 1888-89 will be presented to Parliament when received from India.

The statement exhibiting the Moral and Material Progress and Condition of India during 1887-88 and the Statistical Abstract relating to British India from 1878-79 to 1887-88 are in course of preparation.

U 58609. Wt. P. 212.

Revenue and Expenditure.

The Gross Revenue and Expenditure of the Government of India for the three years are as follows :—

Gross Revenue and Expenditure.	Account, 1887–88.	Revised Estimate, 1888–89.	Budget Estimate, 1889–90.
	Rx	Rx	Rx
Revenue - - - - -	78,759,744	81,585,500	82,935,300
Expenditure chargeable thereon - -	80,788,576	81,787,200	82,829,000
Surplus - - -	—	—	106,300
or *Deficit* - - -	*2,028,832*	*201,700*	—

Apart from other considerations, the Revenue and Expenditure of the country are continually increasing through the opening of additional railways and canals; and, therefore, a clearer view of the financial condition may be gathered by a reference to the net Revenue and Expenditure (in the form given at page 62 of the Financial Statement*); the net Revenue being the amount received from the principal sources, after deducting the cost of collection, &c., and the net Expenditure being the charges of the various departments, after deducting the receipts of those departments. The following are the net figures :—

Net Revenue and Expenditure.	Actual Account, 1887–88.	Revised Estimate, 1888–89.	Budget Estimate, 1889–90.
	Rx	Rx	Rx
Net Revenue - - - - -	45,342,843	46,559,700	47,213,800
Net Expenditure - - - - -	47,371,675	46,761,400	47,107,500
Surplus +, or *Deficit* —, including cost of Special Defence Works - -	*—2,028,832*	*—201,700*	+106,300
Do. do. excluding do. do. -	*—1,572,815*	+616,600	+1,209,200

The following is a more detailed explanation of the foregoing figures.

* See page 50 of the Appendix to this Memorandum.

Actual Account, 1887–88.

Net Revenue and Expenditure.	Budget, Estimate, March 1887.	Revised Estimate, as published in March 1888.	Modification of the Revised Estimate, as explained to the House of Commons on August 9, 1888.	Account.
	Rx	Rx	Rx	Rx
Net Revenue - - - -	44,478,100	44,944,200	45,309,200	45,342,843
Net Expenditure - - - -	44,461,400	47,960,900	47,270,000	47,371,675
Surplus + - - -	+16,700	—	—	—
or *Deficit* —	—	*—3,016,700*	*—1,960,800*	*—2,028,832*

It was explained in September 1887 that the expenditure of 1887–88 had been enhanced by three special causes; the following are the sums which the Accounts show to be attributable thereto :—

(1.) The conversion of the India Four into Three-and-a-half per cent. Stock, while eventually saving 266,300*l.* annually, had the immediate effect of bringing into the year 1887–88 a payment of Rx 1,091,236.

(2.) The extension of the military operations in Burma, and the gratuity to the troops engaged there, added Rx 830,000.

(3.) The determination to include in the Expenditure of the year the cost of the Special Defence Works on the coast and the north-west frontier added Rx 456,017.

Apart from these three causes, the net expenditure, as shown in the Account, was Rx 44,994,422, or Rx 348,412 less than the net revenue, the variations from the Budget Estimate having resulted in an increase of the net revenue by Rx 864,743, and of the net expenditure by Rx 533,022, giving a net improvement of Rx 331,721.

The increase of the net Revenue arose thus :—

Land Revenue - -	Rx +430,410	Increase of Revenue, chiefly in Madras and Bombay, Rx 251,692; reduction of Expenditure, especially in the North-West Provinces, Rx 178,718.
Opium - - - -	*—296,042*	Reduction of Revenue Rx 377,838, the average selling price in Calcutta being only Rs. 1,059, against an estimate of Rs. 1,100, per chest, and a falling off of Rx 150,000 occurring in Bombay; reduction of charge Rx 81,796.
Salt - - - -	+118,363	Increase of Revenue, particularly in Bombay, Rx 66,128; reduction of Expenditure Rx 52,235.
Stamps - - -	+175,082	Increase of Revenue, especially in Bengal, the Punjab, the North-west Provinces, and Bombay.
Excise - - - -	+292,324	Increase of revenue, chiefly in Madras, Bengal, and Burma.
Provincial Rates - -	+59,315	Increase of revenue, mostly in Madras.
Customs - - -	+114,870	Increase of revenue, principally at Calcutta and Bombay.
Other heads - - -	+71,784	
	+966,106	
Assignments and compensations	101,363	Increased charge, especially in grants of alienated revenue in Bombay.
Total increase of net Revenue : Imperial - 337,640 / Provincial - 527,103	+864,743	

The increase in the net Expenditure, apart from the special causes above-mentioned, occurred in the following manner:—

Interest	Rx —89,547	Reduction of net charge in India Rx 122,523, owing mainly to a large amount being left undrawn; reduction in England 66,766*l.*, chiefly in consequence of large receipts; increase in exchange Rx 99,747.
Telegraph	—149,559	Mainly from increased receipts.
Mint	—73,163	Increased receipts.
Marine	—215,382	Mainly from reduction of Expenditure, owing to no torpedo boats being supplied during the year.
Other Civil Departments	—160,586	Less Expenditure than had been expected, especially under Law and Justice in Upper Burma and Bombay, Police in Upper Burma and the North-West Provinces, and Education in Bombay and the Punjab.
Territorial and Political Pensions	—89,287	Reduction owing mainly to the death of the late king of Oudh, and to Maharajah Dhulip Singh not drawing his stipend.
Exchange	—379,071	Increased gain on the capital transactions of the subsidised Railway Companies, part of which in the Budget was placed in suspense, but in the Account is treated as revenue.
Railway Revenue Account	+532,986	Reduction of net earnings on State Railways Rx 209,761; net improvement on guaranteed Railways Rx 121,670; additional payment to companies for surplus profits Rx 154,622; additional charge for exchange Rx 277,277; and on other accounts Rx. 12,996.
Buildings and Roads	—154,989	Reduction of charge, chiefly from the amount held in reserve for military works not being needed, Rx 102,151; increased receipts Rx 52,838.
Army	+227,519	Increase of Rx 162,620 in charge for exchange; remainder due to rise in prices for provisions and forage, and extra requirements for clothing, barracks, and medical supplies.
Other heads	—55,090	
Total Reduction of net Expenditure:		
Imperial —5,919		
Provincial 603,088	—597,169	
But the improvement in the balances of the Provincial Governments, by reason of the before-mentioned increase of their part of the net Revenue by Rx 527,103, and reduction of their net Expenditure by Rx 603,088, was	1,130,191	The position of the several Provincial Governments was better than the estimate to the following extent:—Bengal, Rx 259,593; Bombay, Rx 200,254; Madras, Rx 189,331; North West Provinces, Rx 116,906; Punjab, Rx 105,700; Central Provinces, Rx 105,126; Burma, Rx 94,696; Assam, Rx 57,694; India General, Rx 891.
Consequently the net Expenditure charged on the Revenue was increased by	533,022	
And, deducting this from the increase of Rx 864,743 in the net Revenue, the position of the Imperial Government was improved by	331,721	

Compared with the Revised Estimate, as explained to the House of Commons on the 9th of August 1888, the Accounts show a very slight alteration; there is an increase of the net Revenue by Rx 33,643, or about ·075 per cent., and of the net Expenditure by Rx 101,675, or ·215 per cent.

Revised Estimate, 1888–89.

Net Revenue and Expenditure.	Budget Estimate.	Revised Estimate.
	Rx	Rx
Net Revenue - - - - -	46,349,400	46,559,700
Net Expenditure - - - -	47,047,400	46,761,400
Deficit, including cost of Special Defence Works - - - - -	*—698,000*	*—201,700*
Surplus, excluding cost of Special Defence Works - - - - -	423,500	616,600

There is an increase in the net Revenue of Rx 210,300, and a reduction of the net Expenditure amounting to Rx 286,000, giving an improvement of Rx 496,300. The increase of Rx 210,300 in the net Revenue is caused by the following changes :—

Land Revenue - -	Rx	+253,100	Increase of revenue, chiefly in Bombay, Rx 111,800; reduction of expenditure Rx 141,300.
Salt - - - -		*—433,200*	Reduced sales, owing to the raising of the duty, and an expectation at the close of the year that it would again be lowered.
Stamps - - -		+96,900	Increase of revenue Rx 77,800; reduction of charge Rx 19,100.
Excise - - - -		+88,200	Increase of revenue.
Assessed Taxes - -		+58,600	
Forest - - - -		+109,000	Increase of revenue, particularly in Burma, Rx 154,100; increase of expenditure Rx 45,100.
Other heads - - -		+37,700	
Total { Imperial - *—142,600* / Provincial 352,900 }		+210,300	

The decrease of Rx 286,000 in the net Expenditure may be thus explained :—

Post Office - -	Rx	*—61,700*	Reduction of charge Rx 11,900; increase of receipts Rx 49,800.
Telegraph - - -		*—48,100*	Reduction of charge Rx 14,700; increase of receipts Rx 33,400.
Civil Departments - -		*—116,800*	Chiefly under Marine, Law and Justice, and Police.
Stationery and Printing -		*—78,800*	Reduction of expenditure.
Exchange on Remittance Transactions - - -		*—536,800*	Owing to the capital expenditure of the Subsidised Railway Companies having been much larger than was estimated, and to the rate of exchange being considerably lower than the rates fixed in the contracts with those Companies for the adjustment of their capital transactions.
Railway Revenue Account -		+150,000	Increase of expenditure Rx 393,300, of which Rx 269,800 occurred in exchange; increase of receipts Rx 243,300.
Civil Works - - -		*—251,500*	Reduction of expenditure Rx 221,600; increase of receipts Rx 29,900.
Army - - - -		+348,100	Charge of Rx 142,500, 210,000, and 35,000 respectively, for the Black Mountain, Sikkim, and Lushai Expeditions; increase of Rx 241,500 in exchange, including pay of British troops; reduction of expenditure otherwise Rx 226,500; increased receipts Rx 54,400.
Special Defence Works - -		*—303,200*	Reduction of expenditure.
Other heads - - -		*—73,900*	
Total reduction of net Expenditure: Imperial - 638,900 / Provincial - 333,800		*—972,700*	
But the improvement in the balances of the Provincial Governments, by reason of the above-mentioned increase of their part of the net Revenue by Rx 352,900, and reduction of the net Expenditure by Rx 333,800, was - -		686,700	The position of the Provincial Governments was better than had been estimated to the following extent:—Bombay, Rx 171,100; Madras, Rx 136,900; North-west Provinces, Rx 132,100; Central Provinces, Rx 92,000; Punjab, Rx 81,600; Bengal, Rx 47,700; and Assam, Rx 30,200; while India General was worse by Rx. 3,500, and Burma by Rx 1,400.
Consequently, the reduction of the net Expenditure charged on the Revenue, was - - -		286,000	
And, adding this to the increase of Rx 210,300 in the net Revenue, the position of the Imperial Government is improved by - - -		496,300	

Budget Estimate, 1889-90.

Net Revenue and Expenditure.	Revised Estimate, 1888-89.	Budget Estimate, 1889-90.
	Rx	Rx
Net Revenue - - - - -	46,559,700	47,213,800
Net Expenditure - - - - -	46,761,400	47,107,500
Surplus +, or Deficit —, including cost of Special Defence Works - -	—201,700	+106,300
Surplus, excluding cost of Special Defence Works - - - - -	616,600	1,209,200

There is an estimated increase of Rx 654,100 in the net Revenue, and of Rx 346,100 in the net Expenditure, so that it is anticipated that the position will be improved by Rx 308,000.

This improvement is expected to occur in the following manner :—

			Remarks.
Net Revenue.			
Land Revenue - -	Rx	102,900	Increase in Burma Rx 185,000, and North-West Provinces Rx 87,200; decrease in Madras Rx 69,700, and Bombay Rx 58,900; increase in other Provinces Rx 45,800; increase of expenditure Rx 86,500.
Salt - - - -		326,600	Increase of revenue in Madras Rx 157,600, Burma Rx 101,500, Bombay Rx 57,500, and elsewhere Rx 36,400; increase of expenditure Rx 26,400.
Provincial Rates -		247,100	Almost entirely in the North-West Provinces, where the patwari cess has been re-imposed.
Other heads - -		39,100	Increase under Stamps Rx 46,800, and Customs Rx 25,300; reduction under Forests Rx 44,600; increase under other heads Rx 11,600.
		715,700	
Assignments and Compensations - -		61,600	Increased charge in Bombay, owing mainly to payment of arrears.
Increase of net revenue:			
Imperial - 1,172,200			
Provincial - —518,100		+654,100	
Net Expenditure.			
Interest - - - -	Rx	—238,000	Reduction of expenditure Rx 342,600, principally owing to the cessation of the abnormal payments connected with the conversion of the India 4 per cent. Stock, and to the reduction of interest consequent thereon; reduction of receipts Rx104,600, those in 1888-89 having been exceptionally large.
Police - - -		+176,200	Increase in Burma Rx 107,900, in Bengal Rx 26,300, in Madras Rx 17,300, and in other Provinces Rx 24,700.
Exchange - -		+424,500	Diminution of receipts, owing to the capital transactions of the Subsidised Railway Companies being much reduced.
Railway Revenue Account		—238,300	Increase of receipts Rx 1,258,500, and of expenditure Rx 1,020,200, of which Rx 314,000 is in each case due to the treatment of the Oudh and Rohilkhund Railway as a State line.
Buildings and Roads - -		+138,200	Increase on Military Works, Rx 43,000 and on Civil Works Rx 95,200.
Army - - - -		+634,800	Increase for mobilisation of an Army Corps Rx 203,500, and for additional pay to British troops, owing to fall in Exchange, Rx 130,000; reduction in cost of special operations Rx 277,500, the provision in the Budget for the Sikkim and Lushai Expeditions being Rx 110,000; increase of other charges in India Rx 217,000; increased expenditure in England, for stores 144,400*l.*, for non-effective charges 68,400*l.*, and on other accounts 16,700*l.*; increased exchange on expenditure Rx 106,700; reduction of receipts Rx 31,600.
Special Defence Works -		+284,600	Increase for stores in England 129,400*l.*, for exchange Rx 60,200, and for expenditure in India and at Aden Rx 95,000.
Other heads - -		+8,000	
Total increase of net Expenditure:			
Imperial - 864,200			
Provincial - 325,800		+1,190,000	
But there is a reduction in the balances of the Provincial Governments, in consequence of the above-mentioned diminution of their portion of the net Revenue by Rx 518,100, and increase of their net expenditure by Rx 325,800, amounting to - - -		843,900	Compared with the position at the beginning of the year, Bombay is expected to be worse by Rx 209,900, the Central Provinces by Rx 141,200, Madras by Rx 139,500, the Punjab by Rx 64,300, and other Provinces by Rx 85,900. On the other hand, in 1888-89 their position was improved by Rx 203,100. The reduction of balance is largely due to the special contributions made by the Local Governments, amounting to Rx 740,000, of which Rx 200,000 is obtained from the patwari cess in the North-West Provinces, and the remainder is thus made up: Madras Rx 175,000, Bombay Rx 175,000, Bengal Rx 100,000, Burma Rx 50,000, Central Provinces Rx 30,000, and Assam Rx 10,000.
So that the increase in the net Expenditure charged on the Revenue becomes - -		346,100	
And, consequently, the Improvement in the position of the			

Principal Changes in the last Three Years.

As 1887–88 was an exceptional year, the position in the Budget for 1889–90 can be better compared with the Accounts for 1886–87.

Net Revenue and Expenditure.	Accounts, 1886–87.	Budget Estimate, 1889–90.	Increase.
	Rx	Rx	Rx
Net Revenue - - -	44,735,900	47,213,800	2,477,900
„ Expenditure - - -	44,557,500	47,107,500	2,550,000
			Result
Surplus, including cost of Special Defence Works - -	178,400	106,300	worse 72,100
Surplus, excluding cost of Special Defence Works - -	504,100	1,209,200	better 705,100

Of the increase in the net Revenue, Rx 1,394,900 derived from the Salt duty, Rx 120,000 from the duty on imports of petroleum, and Rx 46,600 from assessed taxes in Burma, may be attributed to additional taxation, and the remainder to better administration or to the improved condition of the people. The following are the variations in the net Revenue and Expenditure:—

Net Revenue.

	Rx
Land Revenue, better - - - - - -	+169,100
Opium, worse - - - - - - -	*—318,300*
Salt, better - - - - - - -	+1,394,900
Stamps, better - - - - - - -	+220,600
Excise, better - - - - - - -	+326,200
Provincial Rates, better - - - - - -	+247,600
Customs, better - - - - - - -	+148,400
Assessed Taxes, better - - - - - -	+192,800
Other Heads, better - - - - - -	+96,600
	+2,477,900

Net Expenditure.

Exchange on Expenditure in England, more - - - -			+1,626,000
Increased pay of British Troops, owing to fall in Exchange - -			+356,000
			+1,982,000
Gain by Exchange on capital transactions of Railway Companies, owing to fall in value of silver since their contracts were made, &c.			*—553,600*
Net increased charge for Exchange - - - - -			+1,428,400
Net Expenditure in India:	Rx	Rx	
Upper Burma: Army, less - -	*—917,800*		
Police, more - -	+504,300	*—37,400*	
Other, more - -	+376,100		
Army (apart from Burma and increase in pay of troops owing to Exchange), more - - -		+1,076,500	
Special Defence Works, more - - - - -		+421,900	
Railways: improved Revenue Account -	*—186,000*		
reduction in allotment of Revenue for construction -	*—372,900*	*—558,900*	
Other, reduced - - - - -		*—576,200*	
			+225,900
Expenditure in England:	£		
Army: non-effective, more - -	+277,700		
Stores, more - - -	+205,100		
Railways: interest and annuities, more	+319,600		
Other, reduced - - - -	*—6,700*		
			+795,700
			+2,550,000

Upper Burma.

The following is a statement of the net Expenditure and Revenue on account of Upper Burma:—

	1886–87.	1887–88.	Revised Estimate, 1888–89.	Budget Estimate, 1889–90.
Net Expenditure.	Rx	Rx	Rx	Rx
Police	343,800	690,400	764,400	848,100
General Administration	26,300	29,800	25,300	24,600
Law and Justice	26,500	50,400	67,800	77,100
Medical	7,000	20,400	14,200	21,200
Political (including pensions)	33,700	27,500	27,300	29,300
Other Civil Charges	2,700	4,200	84,200	30,100*
Railway Revenue Account	—	—	5,800	77,800†
Irrigation Works	13,800	12,600	21,500	20,000
Buildings and Roads: Military	73,900	314,300	162,500	147,600
" " Civil	169,400	338,900	305,900	301,700
Extra Army Charges	1,517,800	1,475,300	640,000	600,600
	2,214,900	2,963,800	2,118,900	2,177,500
Net Revenue.				
Land Revenue	125,500	291,700	308,200	329,100
Excise	6,700	29,100	37,900	59,800
Forests	10,600	17,600	79,000	100,000
Tributes	—	1,700	25,000	43,400
Other Heads	3,400	5,400	15,300	19,900
	146,200	345,500	465,400	552,200
Net Charge	2,068,700	2,618,300	1,653,500	1,625,300

* Excluding Local net receipts, Rx 3,400.

† Including interest on Railway capital, Rx 85,800.

Exchange.

The following Table shows the amount of the net sterling expenditure in England in recent years, the average rate at which the remittances from India have been effected, the amount under the head of Exchange involved in that sterling expenditure, the further charge or gain in India on the remittance account, the additional estimated payment to the British soldiers arising from the fall in exchange, and the total charge on the revenues on account of Exchange.

Years.	Net Sterling Expenditure.	Average Rate at which Remittances were effected.	Exchange on Net Sterling Expenditure.	Exchange in India on Remittance Accounts.	Additional Payment to European Soldiers on account of Exchange (approximate).	Total Charge for Exchange.
	£	*d.*	Rx	Rx (+ more, — less)	Rx	Rx
1881–82	14,043,000	19·895	2,897,000	+ 91,000	—	2,988,000
1882–83	13,800,000	19·525	3,166,000	+ 65,000	—	3,231,000
1883–84	14,770,000	19·536	3,375,000	— *61,000*	46,000	3,360,000
1884–85	13,844,000	19·308	3,364,000	— *12,000*	184,000	3,536,000
1885–86	13,756,000	18·254	4,330,000	— *264,000*	224,000	4,290,000
1886–87	14,172,000	17·441	5,330,000	+ 26,000	276,000	5,632,000
1887–88	15,128,000	16·898	6,357,000	— *745,000*	437,000	6,049,000
Revised Estimate, 1888–89	14,714,000	16·379	6,842,000	— *952,000*	502,000	6,392,000
Budget, 1889–90	14,956,000	16·380	6,954,000	— *527,000*	632,000	7,059,000

Home Charges.

The following is an analysis of the net Expenditure in England charged on the Revenues of the year, with the Exchange added :—

Net Expenditure.	1887–88. Sterling.	1887–88. Exchange.	1887–88. Equivalent of Sterling Payments.	1888–89. Sterling.	1888–89. Exchange.	1888–89. Equivalent of Sterling Payments.	Budget, 1889–90. Sterling.	Budget, 1889–90. Exchange.	Budget, 1889–90. Equivalent of Sterling Payments.
	£	Rx	Rx	£	Rx	Rx	£	Rx	Rx
Interest and Management of Debt (excluding Interest charged in Railway Revenue Account)	3,357,197	1,410,727	4,767,924	2,567,400	1,193,800	3,761,200	2,436,000	1,132,700	3,568,700
Railway Revenue Account	5,399,162	2,268,780	7,667,942	5,652,400	2,628,700	8,280,700	5,603,700	2,605,700	8,209,400
Civil Administration: Payments on account of Departments in India, passage, outfit, &c.	17,931	7,535	25,466	21,100	9,800	30,900	16,500	7,700	24,200
Postal Subsidy	65,000	27,314	92,314	42,000	19,500	61,500	42,000	19,500	61,500
Telegraph: Red Sea Company's Annuity	18,027	7,575	25,602	18,000	8,400	24,400	18,000	8,400	26,400
„ Indo-European	9,928	4,172	14,100	4,400	2,000	6,400	9,000	4,200	13,200
Public Works: Civil Engineering College	1,071	450	1,521	3,000	1,400	4,400	200	400	1,300
„ Other Charges	7,414	3,115	10,529	8,400	3,900	12,300	7,000	3,300	10,300
Marine: Her Majesty's ships in Indian Seas	70,735	29,724	100,459	42,000	19,500	61,500	42,000	19,500	61,500
„ Other Charges	1,975	830	2,805	1,000	500	1,500	1,500	700	2,200
Civil Service: Allowances to Candidates, Examinations, &c.	17,147	7,205	24,352	19,100	8,900	28,000	21,100	9,800	30,900
Lunatics: maintenance	4,084	1,716	5,800	4,400	2,000	6,400	4,500	2,100	6,600
Political charges: Persian Mission	10,000	4,202	14,202	10,000	4,700	14,700	10,000	4,600	14,600
„ Diplomatic and Consular Establishments in China	15,000	6,303	21,303	15,000	7,000	22,000	15,000	7,000	22,000
„ Pensions: territorial and political	15,749	6,618	22,367	21,200	9,900	31,100	12,600	5,900	18,500
„ Other Charges	5,407	2,272	7,679	4,500	2,100	6,600	2,000	900	2,900
India Office: Salaries of Establishment	137,621	57,830	195,451	136,900	63,700	200,600	139,400	64,800	204,200
„ Auditor's Department	6,324	2,657	8,981	6,500	3,000	9,500	6,600	3,100	9,700
„ Store Department	27,052	11,368	38,420	25,200	11,700	36,900	26,100	12,100	38,200
„ Stationery, postage, telegrams, and other charges	24,377	10,243	34,620	25,400	11,800	37,200	25,800	12,000	37,800
Army: Effective: Home Charges of British Forces serving in India	661,239	277,859	939,098	700,000	325,500	1,025,500	715,000	332,500	1,047,500
„ „ Troop Service and Transport	203,474	85,502	288,976	198,300	92,200	290,500	201,400	93,700	295,100
„ „ Other Charges	30,204	12,692	42,896	27,900	13,000	40,900	26,000	12,100	38,100
Special Defence Works: Establishment	289	121	410	400	200	600	300	100	400
Stores: Civil and Public Works	317,048	133,227	450,275	244,400	113,600	358,000	302,700	140,800	443,500
„ Marine	69,738	29,305	99,043	54,500	25,300	79,800	43,100	20,000	63,100
„ Military	647,858	272,23	920,094	537,600	250,000	787,600	681,900	317,100	999,000
„ Special Defence Works	59,476	24,992	84,468	251,000	116,700	367,700	330,500	176,900	507,40
„ Miscellaneous Charges	4,777	2,007	6,784	8,300	3,900	12,200	9,000	4,200	13,200
Furlough: Civil and Marine	215,560	90,580	306,140	214,000	99,500	313,500	217,000	100,900	317,900
„ Military	263,520	110,734	374,254	288,000	133,900	421,900	290,000	134,800	424,800
„ Telegraph	3,875	1,628	5,503	4,900	2,300	7,200	4,900	2,300	7,200
„ Public Works	52,840	22,204	75,044	60,000	27,900	87,900	62,000	28,800	90,800
Non-Effective Charges: Civil and Marine	891,486	374,611	1,266,097	903,100	419,900	1,323,000	918,700	427,200	1,345,900
„ „ Military	2,495,433	1,048,605	3,544,038	2,594,000	1,206,200	3,800,200	2,863,900	1,338,700	4,202,600
Total	15,128,018	6,356,939	21,484,957	14,714,300	6,842,000	21,556,300	14,956,100	6,954,500	21,910,600

There is a reduction in the Budget of 1889–90, as compared with 1887–88, of 921,200*l.* under Interest and Management of Debt, but an increase of 204,500*l.* on Railway Revenue Account, of 318,300*l.* for Stores, of 195,700*l.* for Non-Effective charges, and of 60,800*l.* on all other accounts; there is, therefore, a net decrease in the sterling payments of 171,900*l.*, but, nevertheless, there is an increase of Rx 597,600 for Exchange.

The Expenditure in England not charged on the Revenues of the year, according to the Accounts and Estimates, was as follows :—

Expenditure.	1887–88. Sterling.	1887–88. Exchange.	1887–88. Equivalent of Sterling Payments.	1888–89. Sterling.	1888–89. Exchange.	1888–89. Equivalent of Sterling Payments.	Budget, 1889–90. Sterling.	Budget, 1889–90. Exchange.	Budget, 1889–90. Equivalent of Sterling Payments.
	£	Rx	Rx	£	Rx	Rx	£	Rx	Rx
Capital outlay in construction of State Railways	1,109,027	466,024	1,575,051	788,000	366,400	1,154,400	1,273,000	591,900	1,864,900
„ „ on Irrigation Works	6,919	2,907	9,826	4,200	2,000	6,200	—	—	—
Total	1,115,946	468,931	1,584,877	792,200	368,400	1,160,600	1,273,000	591,900	1,864,900

Railways.

The sanctioned mileage of Railways in India on the 31st of March 1889 was 17,507, of which 15,245 miles were open for traffic. The additional length opened in 1888–89 was 885 miles, of which 110 were on the Bengal-Nagpur Railway, 80 on the Mysore system, 303 on the Indian Midland, 222 on the Toungoo-Mandalay Extension, 76 on the Nizam's and Bezvada Extension, 67 on the Bhavnagar-Gondal system, and 27 on other lines. The length sanctioned during the year was 680 miles, namely, 301 on the Villupuram-Dharmaveram system, 162 on the Railway from Delhi to Kalka, 195 in the Gaekwar's, Morvi, and Rajpura Native States, and 22 miles of additions to open lines.

The Lansdowne bridge over the Indus at Sukkur was completed, and opened on the 27th of March 1889.

Including Capital Expenditure on Steam-boat Service and Suspense Account, but excluding other indirect charges, the following are the general results of working the Railways for the last three calendar years :—

	1886.	1887.	1888.
Miles open at end of year	12,865	14,068	14,454
Capital outlay at end of year - Rx	165,044,110	182,879,266	193,154,381
Average cost per open mile - „	12,829	13,000	13,363
Mean mileage open for traffic	12,549	13,578	14,379
Number of passengers carried	88,436,318	95,411,779	103,156,013
Number of tons of goods carried	19,576,365	20,195,677	22,393,202
Gross receipts - Rx	18,704,536	18,468,129	19,764,475
Working expenses „	8,930,983	9,103,308	9,874,347
Net receipts „	9,773,553	9,364,821	9,890,128
Percentage of net receipts on capital cost	5·92	5·32	5·12

While, however, the Railways gave in India a return of 5⅛ per cent. on their capital cost, the expense of paying in England the interest at rates fixed in gold was so heavy, that the result of the Railway Revenue Account is to impose a considerable charge on the Government as shown in the following statement :—

	1887–88.	Revised Estimate, 1888–89.	Budget Estimate, 1889–90.
	Rx	Rx	Rx
Receipts	14,533,360	15,428,000	16,686,500
Expenditure	16,655,746	17,692,900	18,713,100
Net Charge	2,122,386	2,264,900	2,026,600

Large as is the amount of the Net Charge in recent years, it is less than the sums included in the Railway Revenue Account for Exchange, namely :—

	Rx
Accounts, 1887–88	2,268,780
Revised Estimate, 1888–89	2,628,300
Budget Estimate, 1889–90	2,605,700

Irrigation Works.

The following is the financial result of the works of Irrigation during the three years to which the statement refers :—

	1887–88.	Revised Estimate, 1888–89.	Budget Estimate, 1889–90.
	Rx	Rx	Rx
Major Works:			
Direct receipts - - -	950,961	1,060,700	1,090,100
Portion of Land Revenue due to Irrigation - - -	602,555	612,100	629,400
Total Revenue - -	1,553,516	1,672,800	1,719,500
Working expenses - - -	677,607	719,400	691,900
Net Revenue - -	875,909	953,400	1,027,600
Interest on Debt - - -	1,017,542	1,041,400	1,065,100
Net Charge - -	141,633	88,000	37,500
Minor Works and Navigation: net Charge - - - - -	605,739	703,900	687,900
Total net Charge - -	747,372	791,900	725,400

The direct receipts, of which nearly eight-ninths consist of rates for irrigation, are chiefly derived from the large canals in Upper India; namely, the Ganges, Lower Ganges, Agra, and Eastern Jumna canals, in the North-West Provinces, the Bari Doab, Western Jumna, and the more recently opened Sirhind Canal, in the Punjab, and the Son canal in Bengal. Of the portion of the land revenue credited to irrigation works, about two-thirds is derived from those in the deltas of the great rivers in Madras, especially the Godavari and Kistna.

The capital outlay on the principal Works of Irrigation has been as follows :—

	To the close of 1886–87.	During 1887–88.	Estimated in	
			1888–89.	1889–90.
	Rx	Rx	Rx	Rx
Bengal: Orissa Project - - - -	2,250,774	40,610	60,430	50,000
Midnapore Series - - -	826,199	135	570	3,000
Son Canal - - -	2,499,807	13,817	23,000	13,000
N.-W. Provinces: Ganges Canal - - -	2,646,877	8,845	7,638	9,554
Lower Ganges Canal - -	2,790,460	136,442	93,084	71,063
Agra Canal - - -	832,840	4,824	4,930	3,175
Eastern Jumna Canal - -	292,901	1,733	9,413	11,708
Punjab: Western Jumna Canal - - -	1,006,044	27,874	18,800	15,000
Bari Doab Canal - - -	1,550,753	1,710	14,200	10,000
Sirhind Canal - - - -	2,124,383*	75,068	27,400	15,000
Chenab Canal - - - -	172,900	77,306	56,700	50,000
Jhilam Canal - - - -	—	—	—	50,000
Sirsa Branch Canal - - -	—	—	—	40,000
Madras: Godavari Delta System - - -	1,047,135	19,422	11,829	12,000
Kistna Delta System - - -	740,096	41,306	51,584	49,000
Sangam System - - -	271,833	13,075	9,762	5,500
Kurnool Canal - - - -	2,165,544	—1,066	—	—
Periyar Project - - - -	—	27,099	76,700	80,000
Bombay: Mutha Storage Lake and Canal - -	591,024	6,781	4,896	4,500
Eastern Nara Works - - -	478,685	11,375	10,545	11,000
Other Works - - - - -	1,482,091	35,733	11,519	24,000
	23,770,346	542,089	493,000	527,500

The chief grants in 1889–90 are for the Orissa canals and the Kistna Delta System, for the reconstruction of the Nadrai aqueduct on the Lower Ganges Canal, for the Chenab, Jhilam, and Sirsa Branch Canals in the Punjab, and for the project of conveying eastward into the Madura district, by a tunnel through the hills which at present form the watershed, the river Periyar, now flowing to the west.

* In addition to Rx 1,290,035 contributed by Native States.

TRADE.

The following is an abstract of the principal figures of the Trade returns for the three years ended 31st March 1889 :—

	1886–87.	1887–88.	1888–89.
	Rx	Rx	Rx
Imports of Private Merchandise	58,661,462	62,384,813	66,567,604
Government stores	3,115,889	2,619,799	2,870,149
Total merchandise	61,777,351	65,004,612	69,437,753
Treasure	11,053,319	13,825,856	13,844,925
Total imports	72,830,670	78,830,468	83,282,678
Exports of Indian Produce and Manufactures	84,908,995	86,370,022	92,653,000
Foreign goods (re-exports)	3,519,665	4,101,440	4,335,878
Government stores	41,457	72,193	71,361
Total merchandise	88,470,117	90,543,655	97,060,239
Treasure	1,720,516	1,604,624	1,784,382
Total exports	90,190,633	92,148,279	98,844,621

Analysis of the Imports of Merchandise.

	1886–87.	1887–88.	1888–89.
Private Merchandise.			
	Rx	Rx	Rx
I. Animals, living	261,223	256,104	295,300
II. Articles of food and drink :			
Liquors	1,459,773	1,487,066	1,483,472
Provisions	1,179,474	1,504,437	1,588,126
Salt	768,987	795,521	882,130
Spices	663,845	931,518	858,493
Sugar	2,080,540	2,113,617	1,790,739
Tea	324,260	260,418	317,937
Other articles	312,723	404,429	549,741
Total	6,789,602	7,497,006	7,470,638
III. Metals and their manufactures :			
Hardware, cutlery, and plated ware	865,397	1,093,939	1,102,226
Copper	1,994,009	2,001,928	563,313
Iron	1,782,990	2,447,395	2,515,181
Lead	119,773	150,409	158,863
Steel	209,862	258,811	344,589
Tin	267,878	169,278	255,545
Zinc or spelter	184,008	148,195	85,514
Brass, quicksilver, and unenumerated metals	130,578	137,067	132,009
Machinery and millwork	1,371,459	1,800,218	2,316,871
Railway plant and rolling stock (other than Government stores)	1,435,125	2,577,603	2,491,689
Total	8,361,079	10,784,843	9,965,800
IV. Chemicals, drugs, &c.:			
Chemicals	196,231	201,455	256,740
Drugs, medicines, and narcotics	495,349	439,649	569,576
Dyeing and tanning materials	261,321	381,455	420,985
Total	952,901	1,022,559	1,247,301

	1886–87.	1887–88.	1888–89.
	Rx	Rx	Rx
V. Oils:			
Kerosine	1,216,607	1,216,817	1,767,727
Other kinds	191,823	269,974	304,883
Total	1,408,430	1,486,791	2,072,610
VI. Raw materials and unmanufactured articles:			
Coal, coke, and patent fuel	1,316,615	1,663,910	1,902,887
Cotton	118,014	125,186	150,579
Gums and resins	69,527	120,312	149,230
Ivory	288,119	259,918	294,546
Precious stones and pearls, unset	151,030	156,378	162,451
Seeds	65,900	76,532	89,193
Silk	793,376	1,174,321	905,939
Wood	51,972	64,317	100,818
Wool	80,757	93,410	124,883
Other articles	213,808	209,758	231,486
Total	3,149,118	3,944,042	4,112,012
VII. Articles manufactured and partly manufactured:			
A. Yarns and textile fabrics:			
Cotton twist and yarn	3,318,377	3,581,906	3,746,797
„ piece goods	25,555,009	23,544,151	27,390,046
„ sewing thread	133,495	132,711	139,700
„ other sorts	158,004	247,605	234,915
Flax, hemp, and jute	137,107	188,874	182,986
Silk	1,383,735	1,743,818	1,682,313
Wool	1,528,865	1,715,755	1,561,950
B. Apparel, including boots and shoes	1,095,554	1,276,629	1,243,098
C. Other manufactured articles:			
Arms, ammunition, &c.	109,093	115,579	148,327
Books, maps, charts, &c.	165,403	181,749	214,179
Building and engineering materials	149,243	116,622	163,245
Candles	110,737	97,894	77,976
Clocks and watches	105,920	118,376	100,627
Corals	175,019	160,211	141,715
Earthenware and porcelain	170,892	223,658	224,829
Glass	500,850	578,959	658,118
Instruments and apparatus	164,006	180,101	209,792
Jewelry and plate	100,416	96,926	116,286
Leather, including boots and shoes	141,783	149,712	167,051
Matches	221,730	243,554	194,546
Paints and colours	184,002	201,212	241,608
Paper	312,510	412,246	402,692
Ships, parts of	144,640	195,922	189,145
Soap	94,315	94,903	102,289
Stationery (excluding paper)	194,533	219,089	223,846
Toys and games	126,455	139,553	157,880
Umbrellas	274,461	371,300	410,604
Other articles	982,955	1,064,453	1,077,383
Total	37,739,109	37,393,468	41,403,943
Total Private Merchandise	58,661,462	62,384,813	66,567,604
Government Stores.			
Railway plant and rolling stock	1,892,708	1,248,661	1,200,700
Arms, ammunition, &c.	195,569	94,725	161,201
Books, maps, and charts	53,991	65,101	97,058
Coal	23,434	78,808	102,298
Hardware and cutlery	63,053	53,755	77,227
Leather manufactures	71,570	82,512	10,895
Liquors	14,870	19,601	23,753
Machinery and millwork	58,305	60,365	92,866
Metals	156,638	262,309	352,270
Paper, pasteboard, and stationery	106,461	140,203	108,825
Telegraph materials	78,148	103,717	81,735
Woollen manufactures	132,041	107,603	150,598
Other stores	269,101	302,439	410,723
Total	3,115,889	2,619,799	2,870,149

Analysis of the Exports of Indian Produce and Manufactures.

	1886–87.	1887–88.	1888–89.
	Rx	Rx	Rx
I. Animals, living	87,632	134,182	112,146
II. Food and drink:			
Coffee	1,502,251	1,529,680	1,884,243
Rice	8,836,827	9,291,687	7,915,354
Wheat	8,625,864	5,562,373	7,527,556
Other grain, and pulse	564,411	686,413	505,595
Provisions	452,887	530,614	553,483
Spices	612,188	521,558	560,284
Sugar	504,803	465,829	550,326
Tea	4,727,992	5,174,440	5,267,315
Other articles	46,168	67,104	82,644
Total	25,873,391	23,829,698	24,846,800
III. Metals and their manufactures	49,660	54,943	53,523
IV. Chemicals, drugs, dyeing materials, &c.:			
Opium	11,077,669	10,067,764	10,508,081
Tobacco	119,558	129,452	103,750
Other drugs, chemicals, &c.	208,217	227,680	296,160
Cutch and gambier	295,250	433,847	442,326
Indigo	3,691,677	3,890,649	3,948,594
Myrabolams	225,896	250,618	249,337
Other dyeing and tanning materials	122,778	107,933	37,213
Total	15,741,045	15,107,943	15,585,461
V. Oils:			
Castor	271,837	264,282	203,147
Cocoa nut	132,459	148,386	163,124
Other	54,516	58,388	64,035
Total	458,812	471,056	430,306
VI. Raw materials:			
Caoutchouc	84,719	115,433	96,735
Cotton	13,468,429	14,412,842	15,046,593
Feathers	52,591	57,049	46,888
Gums and resins	93,246	175,496	282,800
Hemp	164,138	125,156	111,894
Hides and skins	2,811,291	2,325,716	2,129,422
Horns	122,708	164,394	161,123
Jute	4,869,815	6,040,379	7,897,154
Manures (bones, &c.)	92,343	133,512	176,881
Saltpetre	376,091	364,016	401,800
Seeds: castor	288,618	319,439	312,874
„ earthnuts	421,575	611,844	478,981
„ linseed	5,179,291	4,932,575	5,057,922
„ poppy	341,045	277,657	476,173
„ rape	1,421,053	1,175,409	1,916,904
„ til or jinjili	1,410,899	1,877,050	1,147,753
„ other sorts	136,079	191,050	171,844
Silk	484,339	480,811	518,751
Jade stone	56,100	55,351	65,404
Wood: teak	223,154	367,274	575,451
„ other timber, and ornamental	51,362	71,722	57,708
Wool	899,552	972,346	968,753
Other articles	318,717	353,632	413,094
Total	33,367,155	35,600,153	38,512,902

	1886–87.	1887–88.	1888–89.
VII. Articles manufactured and partly manufactured:			
A. Yarns and textile fabrics:	Rx	Rx	Rx
Cotton twist and yarn	3,336,861	4,077,387	5,207,100
„ piece goods	923,635	1,114,513	1,137,164
„ other sorts	22,009	36,029	30,301
Flax and hemp	701	1,016	—
Jute: gunny bags	1,051,223	1,624,905	2,400,766
„ „ cloths, rope, twine &c.	100,635	121,455	170,712
Silk	318,104	379,296	288,487
Wool	85,932	114,058	122,105
B. Apparel	79,291	97,638	112,980
C. Other manufactured articles:			
Coir manufactures	191,445	161,174	174,257
Hides and skins dressed or tanned	2,337,926	2,526,666	2,614,035
Lac	518,315	500,137	401,748
Other articles	365,223	417,773	452,207
Total	9,331,300	11,172,047	13,111,862
Total Indian Produce and Manufactures	84,908,995	86,370,022	92,653,000

Analysis of the Re-exports of Foreign Merchandise.

	1886–87.	1887–88.	1888–89.
	Rx	Rx	Rx
Apparel	83,880	92,210	91,293
Cotton: twist and yarn	81,147	69,345	111,514
„ manufactures, piece goods	1,477,343	1,633,247	1,686,647
„ „ other sorts	13,357	15,065	18,541
Gums and resins	39,755	60,538	109,425
Ivory	172,260	182,467	209,541
Metals	162,070	298,348	168,514
Provisions	97,163	139,405	126,077
Silk and its manufactures	73,614	88,611	107,197
Spices	94,473	222,005	174,416
Sugar	197,217	183,041	200,704
Tea	155,151	128,006	205,823
Wool and its manufactures	489,267	578,161	696,921
Other articles	382,968	410,991	429,265
Total	3,519,665	4,101,440	4,335,878

Movement of Treasure.

	1886–87.	1887–88.	1888–89.
	Rx	Rx	Rx
Gold: imports	2,833,558	3,236,053	3,119,088
„ exports	656,493	243,572	305,154
Net imports	2,177,065	2,992,481	2,813,934
Silver: imports	8,219,761	10,589,803	10,725,837
„ exports	1,064,023	1,361,052	1,479,228
Net imports	7,155,738	9,228,751	9,246,609
Net imports of treasure	9,332,803	12,221,232	12,060,543
Amount of silver coined at Calcutta and Bombay	4,616,536	10,788,424	7,257,748

Shipping.

	1886–87.		1887–88.		1888–89.	
Shipping:	No.	Tons.	No.	Tons.	No.	Tons.
Vessels with cargoes entered: steamers	1,379	2,065,503	1,389	2,160,852	1,347	2,156,825
„ „ „ sailing	2,371	733,683	2,579	778,568	2,354	622,375
Total	3,750	2,799,186	3,968	2,939,420	3,701	2,779,200
„ „ cleared: steamers	1,568	2,331,240	1,532	2,360,937	1,566	2,486,464
„ „ „ sailing	3,153	1,205,159	3,164	1,135,446	2,856	896,598
Total	4,721	3,536,399	4,696	3,496,383	4,422	3,383,062

Balance of Trade (approximate).

	1886–87.	1887–88.	1888–89.
	Rx	Rx	Rx
Exports of merchandise	88,470,000	90,544,000	97,060,000
„ gold	657,000	244,000	305,000
„ silver	1,064,000	1,361,000	1,479,000
Total	90,191,000	92,149,000	98,844,000
Imports of merchandise	61,777,000	65,005,000	69,437,000
„ gold	2,834,000	3,236,000	3,119,000
„ silver	8,220,000	10,590,000	10,726,000
Total	72,831,000	78,831,000	83,282,000
Net exports of merchandise	26,693,000	25,539,000	27,623,000
„ imports of gold	2,177,000	2,992,000	2,814,000
„ „ silver	7,156,000	9,229,000	9,247,000
Excess of exports	17,360,000	13,318,000	15,562,000
Rupee paper enfaced for payment of interest in England	—500,000	1,744,000	748,000
	16,860,000	15,062,000	16,310,000
Remittances by the Government:			
Payments in India for bills (including telegraphic transfers) drawn to defray Home charges	16,738,000	20,818,000	20,899,000
Bills drawn on India for interest on enfaced rupee paper	796,000	806,000	872,000
	17,534,000	21,624,000	21,771,000
Excess of remittances by Government over surplus Exports	674,000	6,562,000	5,461,000
Charges not defrayed by India:			
Equivalent (at average rate of exchange on remittances) of amount borrowed in sterling	6,600,000	—	440,000

Debt and Public Works.

Excluding debt incurred for the purchase of the Oude and Rohilkund Railway,* the following are the net sums raised by borrowing during the three years, according to the Accounts and Estimates.

	1887–88.	Revised Estimate, 1888–89.	Budget Estimate, 1889–90.
In India - - - - - - Rx	5,435,799	2,777,500	2,421,400
In England - - - - - - £	—	300,000	3,450,000

In 1887–88 the debt incurred in India included a special loan of Rx 3,500,000 from the Gwalior State, at 4 per cent. interest. No addition was made to the debt in England, but 48,858,013*l.* of India 4 per cent. stock was converted into a like amount of 3½ per cent. stock.

In 1888–89 the Government of India raised a loan of Rx 3,000,000, mainly for public works, but part of it was applied to the discharge of the balance of a 4½ per cent. loan of which the bulk was converted into debt at 4 per cent., and to the cancelment of outstanding stock notes, thus reducing the net increase of debt to Rx 2,777,500. In England, India 3 per cent. stock was created to the amount of 7,206,531*l.*,* for the purchase of the property of the Oude and Rohilkund Railway Company, and for the discharge of such of its debentures as fell due in 1888. The remainder of the India 4 per cent. stock (4,403,807*l.*) was notified for discharge, a like amount of 3½ per cent. stock being created; when the revised estimate was framed, it was estimated that 300,000*l.* would still remain to be discharged after the 31st of March 1889, but actually 363,070*l.* was unclaimed at that date.

In 1889–90, according to the Budget, a loan of Rx 2,500,000 was to be raised in India for public works, but Rx 78,600 of the loans under discharge was expected to be paid, making the net debt to be incurred Rx 2,421,400. The amount of the loan has, however, been reduced to Rx 2,000,000. In England the estimate provided for the discharge of 300,000*l.* of the 4 per cent. stock, and for the raising of 3,750,000*l.*, under Act 51 Vict., ch. 5, sec. 4, for advances to Railway Companies (instead of their raising the money by the issue of their own debentures). The amount of India 3 per cent. stock which it was actually found necessary to offer for tender was only 3,500,000*l.* The money so raised is to be advanced, at 3¼ per cent. interest, to the Bengal-Nagpur, Indian Midland, Southern Mahratta, and South Indian Railway Companies, which are engaged in the construction of lines of railway for the State:

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* Debt incurred for the purchase of the Oude and Rohilkund Railway.

	£
Money raised under Act 51 Vict. Ch. 5, by the creation of 7,206,531*l.* India 3 per cent. stock, for the purchase of the property of the Company, and for the discharge of such of its debentures as fell due in 1888 before the purchase - - - -	6,921,049
Debentures and debenture stock of the Company, for which the Secretary of State incurred the liability on the purchase - - - - - - -	3,415,000
	10,336,049

During the three years to which the statement relates, the outlay from revenue from borrowed money, and from the balances, on the construction of Railways and Irrigation Works, is as follows:—

	1887–88.	Revised Estimate, 1888–89.	Budget Estimate, 1889–90.
	Rx	Rx	Rx
State Railways	2,332,721	1,382,800	3,572,200
Irrigation Works	626,849	573,200	615,200
	2,959,570	1,956,000	4,187,400
In addition to this, the outlay by Companies guaranteed or subsidized by the Government (sterling payments being converted into Indian currency) is	7,292,340	7,673,900	4,360,500
Total	10,251,910	9,629,900	8,547,900

In 1887–88 and 1888–89 the outlay on the actual construction of State Railways was larger, and that by Companies smaller, than appears from the foregoing figures, because sums of Rx 1,390,000, and of Rx 1,406,700, in the two years respectively, were refunded to the Government, in consequence of the transfer of certain lines to the Bengal-Nagpur and Indian Midland Companies.

Assets and Liabilities.

The following is a statement of the Assets and Liabilities of the Government of India. As Indian and English figures cannot be correctly added together without Exchange, the totals of the two sets of figures are shown separately:—

Assets and Liabilities, 31st March 1889.

Assets.	Rx	£	*Liabilities.*	Rx	£
Railways constructed by the State	62,869,000	—	Debt	100,867,000	95,034,000
Purchased railways	—	54,375,000	Railway Companies' unspent Capital	—	35,000
Irrigation Works	26,483,000	—	Other Obligations	14,194,000	—
Loans to Municipalities and Native States	8,292,000	—			
Cash Balances	12,900,000	3,850,000			
Total Assets	110,544,000	58,225,000			
Liabilities uncovered	4,517,000	36,844,000			
	115,061,000	95,069,000	Total Liabilities	115,061,000	95,069,000

The uncovered Liabilities, therefore, are less than one year's net Revenue.

Burden of Taxation.

In the following rough calculation, the burden of the taxation on the people of British India is shown.

	1887-88.	Revised Estimate, 1888-89.	Budget Estimate, 1889-90.
	Rx	Rx	Rx
Salt	6,671,000	7,677,000	8,030,000
Stamps	3,876,000	3,932,000	3,960,000
Excise	4,535,000	4,706,000	4,727,000
Provincial rates	3,035,000	3,019,000	3,258,000
Customs	1,349,000	1,370,000	1,418,000
Assessed taxes	1,431,000	1,509,000	1,515,000
Registration	311,000	329,000	331,000
Total	21,208,000	22,542,000	23,239,000
The population of British India in 1881 was 198,791,000; and, allowing for natural increment, and for the incorporation of Upper Burma in 1886, it may be now taken at about 210 millions. On this basis, the payment per head, on the assumption that the whole of the taxation from salt, excise, &c., is paid by the inhabitants of British India, is	Rupee. Annas. Pies. 1 0 2	Rupee. Annas. Pies. 1 1 5	Rupee. Annas. Pies. 1 1 8

If to this taxation be added the payment of Land Revenue, which is on the average one rupee, one anna, and nine pies, the payments to the Government per head, for Land Revenue and Taxes taken together, amount to Rs. 2 „ 1 „ 11 in 1887-88, Rs. 2 „ 3 „ 2 in 1888-89, and Rs. 2 „ 3 „ 5 according to the Budget for 1889-90.

India Office,
15th July 1889.

John E. Gorst,
Under Secretary of State.

APPENDIX.

STATEMENT showing the Principal FIGURES in the INDIAN ACCOUNTS for 1886–87 and 1887–88, and Estimates for 1888–89 and 1889–90, with Explanations.

[NOTE.—£ denotes sterling; Rx denotes tens of Rupees.]

REVENUE AND EXPENDITURE.	Accounts, 1886–87.	Accounts, 1887–88.	Revised Estimate, 1888–89.	Budget Estimate, 1889–90.	REMARKS.
	Rx	Rx	Rx	Rx	
Revenue - - -	77,337,000	78,760,000	81,585,000	82,935,000	The result of 1887–88 is worse than 1886–87, by Rx 2,207,000 including, or Rx 2,077,000 excluding, Special Defence Works. The estimated result of 1888–89 is better than 1887–88, by Rx 1,827,000 including, or Rx 2,190,000 excluding, Special Defence Works. The estimated result of 1889–90 is better than 1888–89, by Rx 308,000 including, or Rx 592,000 excluding, Special Defence Works.
Expenditure charged on the Revenue of the Year.	77,159,000	80,789,000	81,787,000	82,829,000	
Surplus (+) or Deficit (−) including cost of Special Defence Works.	+178,000	−2,029,000	−202,000	+106,000	
Surplus (+) or Deficit (−) excluding cost of Special Defence Works.	+504,000	−1,573,000	+617,000	+1,209,000	
Actual Expenditure during the Year.	77,123,000	80,418,000	81,584,000	83,470,000	
Portion thereof spent by Provincial Governments from their Balances.	—	—	—	641,000	In 1886–87, 1887–88, and 1888–89, the Provincial Governments spent less than their income. In 1889–90 it is estimated that, in addition to the income of the year, they will spend, from their accumulated balances, a portion of the unspent income of former years.
Allotments to Provincial Governments unspent by them.	36,000	371,000	203,000	—	
	77,159,000	80,789,000	81,787,000	82,829,000	

STATEMENT showing the Principal Figures in the Indian Accounts for 1886–87 and 1887–88,

REVENUE.	Accounts, 1886–87.	Accounts, 1887–88.	Revised Estimate, 1888–89.	Budget Estimate, 1889–90.	REMARKS.
PRINCIPAL HEADS OF REVENUE:	Rx	Rx	Rx	Rx	
Land Revenue - -	23,056,000	23,189,000	23,202,000	23,392,000	In 1887–88 there was an improvement of Rx 212,000 in Upper Burma, but a reduction in Lower Burma in consequence of a poor rice crop, and in Bengal, the North-West Provinces, Madras, and also Burma, owing to few arrears being outstanding. In 1888–89, there was a large increase in Madras, from extended cultivation, in Bombay due to prompt payments, and in Upper Burma in consequence of order being established; in Lower Burma the receipts of 1888–89 were reduced by Rx. 92,000, owing mainly to the postponement of the date of collection in two districts from March to April, but in 1889–90 the increase in that province is estimated at Rx 153,000. In this year a considerable improvement is also expected in the North-West Provinces, but a reduction is anticipated in Madras owing to deficient rainfall, and to a less extent in Bombay.
Opium - - -	8,943,000	8,516,000	8,561,000	8,260,000	The number of chests sold monthly in Calcutta was 4,500 in 1886, 4,750 in 1887 and 1888, and is estimated at the same amount in 1889. The average price per chest was about 1,123 rupees in 1886–87, 1,059 rupees in 1887–88, 1,120 rupees in 1888–89, and is estimated at 1,070 rupees in 1889–90. The number of chests of Malwa opium paying duty was 39,745 in 1886–87, 34,884 in 1887–88, about 30,300 in 1888–89, and is estimated at 30,000 in 1889–90. The duty is 650 rupees a chest. Notwithstanding the larger amount sold, the receipts in Calcutta fell off in 1887–88 by Rx 109,000, and there was also a decrease of Rx 316,000 from Malwa, where the dealers are believed to have held back for higher prices, and of Rx 2,000 from the sale of excise opium. In 1888–89 an increase of Rx 345,000 in Bengal was largely balanced by a reduction of Rx 303,000 in Bombay. The diminution in the estimate for 1889–90 arises from the lower price expected at the sales in Calcutta.

and Estimates for 1888–9 and 1889–90, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1886–87.	Accounts, 1887–88.	Revised Estimate, 1888–89.	Budget Estimate, 1889–90.*	REMARKS.
DIRECT DEMANDS ON THE REVENUE:	Rx	Rx	Rx	Rx	
Refunds and Drawbacks -	214,000	224,000	229,000	221,000	
Assignments and Compensations.	1,447,000	1,469,000	1,480,000	1,542,000	In 1887–88, 1888–89, and 1889–90, much of the increase is due to the amount of alienated revenue in Bombay. In 1889–90 there is also expected to be a large payment of arrears of compensation to the State of Palanpur.
CHARGES IN RESPECT OF COLLECTION:					
Land Revenue - -	3,464,000	3,487,000	3,539,000	3,629,000	In 1887–88 there was an increase of Rx 45,000 in Upper Burma, which was partly met by the reduction of the charge for survey and settlement operations in Lower Burma, Bengal, and Bombay. In 1888–89 and 1889–90 the increase is chiefly due to the extension of survey and settlement operations in the Punjab and Upper Burma, to the reorganisation of the Commission in the latter province, and to allowances to district and village officers in Bombay.
Opium - -	2,729,000	2,424,000	2,648,000	2,364,000	The payments in 1886–87 were unusually large, owing to the very heavy crop of 1886. The season of 1887 was fairly good, and in 1888 the crop was again very large, owing to which the reserve at the end of 1889 is estimated at 49,705 chests. Consequently, production was contracted in 1889, and the estimate of expenditure in 1889–90 is reduced accordingly.

STATEMENT showing the Principal Figures in the Indian Accounts for 1886–87 and 1887–88

REVENUE.	Accounts, 1886–87.	Accounts, 1887–88.	Revised Estimate, 1888–89.	Budget Estimate, 1889–90.	REMARKS.
PRINCIPAL HEADS OF REVENUE—*continued.*	Rx	Rx	Rx	Rx	
Salt	6,658,000	6,671,000	7,677,000	8,036,000	The duty on salt was raised, on the 19th of January 1888, from 2 to 2½ rupees a maund throughout India (except in British Burma, where it was raised from 3 annas to one rupee a maund, and in some of the Trans-Indus districts, where it is almost nominal). In 1887–88 the increase of revenue, which occurred chiefly in Bombay, was owing to the enhanced rate of duty, to greater exports through the opening of the Portuguese West of India Railway, and to a large quantity of salt being used for fish-curing. The increase in 1888–89 is due to the raising of the duty, and would have been greater but for rumours of a reduction towards the close of the year, which led dealers to postpone operations. In 1889–90 a considerable improvement is expected, chiefly in Burma, Madras, and Bombay.
Stamps	3,751,000	3,876,000	3,932,000	3,960,000	The increase in 1887–88 arose mostly in Bengal, the North-West Provinces, and the Punjab; in 1888–89 in the Punjab, Madras, and Bombay; in 1889–90 an increase is expected in Bengal.
Excise	4,375,000	4,535,000	4,706,000	4,727,000	The increase in 1887–88 occurred chiefly in Bengal, Madras, and Burma, owing to better administration, but in Madras it was partly due to higher rates of duty; in 1888–89 principally in Madras; and in 1889–90 in Burma. In the present year a considerable reduction is anticipated in Bengal, owing to the unfavourable condition of the crops and to changes in the management.
Provincial Rates	3,000,000	3,035,000	3,019,000	3,258,000	The bulk of the rates being levied on the land, they are affected in much the same way as the land revenue. The increase in 1887–88 arose chiefly in the village service fund in Madras. In 1889–90 an increase of Rx 230,000 is expected in the North-West Provinces, of which Rx 220,000 is due to the re-imposition of the patwari cess (levied for the payment of the village accountants), and the remainder to the extension of the village watch system in Oudh.
Customs	1,246,000	1,349,000	1,370,000	1,418,000	In 1887–88 the increase arose in consequence of an improvement in the exports of rice from Bengal, and in imports at Bombay and Madras, arrack being sent from Colombo to the latter Presidency in larger quantities, owing to the temporary closing of toddy shops on the introduction of the free tapping system. On the 19th of January 1888 a duty, at the rate of six pies per imperial gallon, was imposed on imports of petroleum, from which a receipt of Rx 115,000 (on 38,000,000 gallons) is expected in 1888–89, and Rx 120,000 in 1889–90. In 1888–89, the Customs dues fell off in Burma, owing to a deficient crop of rice, but this was counteracted by larger receipts in Bengal, Madras, and Bombay. In 1889–90, an improvement is expected in the rice trade, especially in Burma.

and Estimates for 1888–89 and 1889–90, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1886–87.	Accounts, 1887–88.	Revised Estimate, 1888–89.	Budget Estimate, 1889–90.	REMARKS.
DIRECT DEMANDS ON THE REVENUE—*continued.*					
CHARGES IN RESPECT OF COLLECTION—*continued.*	Rx	Rx	Rx	Rx	
Salt - - - - -	486,000	411,000	422,000	462,000	In 1886–87 the charges in Bombay were greatly increased by the payment of arrears from the previous year. In 1887–88 large reductions of establishment were made in several provinces on the recommendation of the Finance Committee. The increase in 1888–89 arose in Madras, and in 1889–90 it is expected in Madras and Bombay.
Stamps - - -	147,000	163,000	155,000	134,000	The increase in 1887–88 was due to large indents on England for stamps, and the exchange on the sterling payments. In 1889–90 the demands for stamped paper are smaller.
Excise - - -	117,000	127,000	138,000	154,000	The increase occurs in Madras, Bengal, and Bombay.
Provincial rates - -	51,000	62,000	62,000	61,000	The increase in 1887–88 occurred in Bengal, and was caused by a change of system in accounting for the cost of collecting the public works cess in many of the districts.
Customs - - -	136,000	135,000	135,000	138,000	

STATEMENT showing the Principal Figures in the Indian Accounts for 1886-7 and 1887-88,

REVENUE.	Accounts, 1886-87.	Accounts, 1887-88.	Revised Estimate, 1888-89.	Budget Estimate, 1889-90.	REMARKS.
PRINCIPAL HEADS OF REVENUE—*continued.*	Rx	Rx	Rx	Rx	
Assessed Taxes - -	1,355,000	1,481,000	1,508,000	1,515,000	On 1st April 1886, in lieu of the previously existing License Tax, an Income Tax of 5 pies in the rupee (equal to 6¼*d.* in the £, or 2·6 per cent.) was imposed on incomes of or above 2,000 rupees a year, and a tax of 4 pies in the rupee (equal to 5*d.* in the £, or about 2 per cent.) on incomes below 2,000 rupees, and not less than 500 rupees a year, if derived from salaries, pensions, profits of companies, or interest on securities. Other incomes were assessed on a scale varying from 1⅓ to 2⅔ per cent. Incomes derived from agriculture, being already liable to pay the tax imposed on land in 1877-78, were exempted from this Income Tax. The improvement in 1887-88 occurred chiefly in Bombay, but there were also enhanced receipts in Bengal and Madras. Of the increase in 1888-89, Rx 44,000 was obtained in Burma, where the tax had not previously been levied.
Forest - - -	1,104,000	1,124,000	1,326,000	1,270,000	In 1887-88 a reduction owing to the depression of the timber trade in the Punjab and the North-West Provinces was more than covered by the increased receipts in Burma, Madras, and the Central Provinces. In 1888-89, the increase is mainly due to Upper Burma, where there was an exceptional receipt from the Bombay-Burma Trading Company on account of arrears; but there was also improvement in Lower Burma, the Punjab, and the North-West Provinces. In 1889-90 the receipts in Burma are estimated to be less by Rx 67,000.
Registration - - -	299,000	311,000	329,000	331,000	The increase occurred chiefly in Bombay and Madras.
Tributes from Native States	695,000	744,000	767,000	789,000	The increase in 1887-88 is mainly owing to the inclusion of the Baroda Subsidy of Rx 38,800 paid for the police employed in the political agencies in Gujarat, which had previously been credited to the Gujarat police funds. In 1888-89 and 1889-90, there is an increase in Upper Burma; and in the former year some arrears were received in the Central Provinces.
TOTAL - Rx	54,482,000	54,781,000	56,397,000	56,944,000	

and Estimates for 1888-89 and 1889-90, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1886-87.	Accounts, 1887-88.	Revised Estimate, 1888-89.	Budget Estimate, 1889-90.	REMARKS.
DIRECT DEMANDS ON THE REVENUE—*continued.*					
CHARGES IN RESPECT OF COLLECTION—*continued.*	Rx	Rx	Rx	Rx	
Assessed Taxes - -	50,000	29,000	28,000	29,000	The diminution in 1887-88 was owing to the reduction of establishment, chiefly in Bengal.
Forest - - -	720,000	720,000	810,000	801,000	The increase in 1888-89 arose mainly in Burma (where a payment of Rx 43,000 was made to the Bombay-Burma Trading Company on account of a claim against the former Native Government), and also in the Central Provinces.
Registration - - -	185,000	187,000	192,000	195,000	
TOTAL - Rx	9,746,000	9,438,000	9,838,000	9,730,000	

STATEMENT showing the Principal Figures in the Indian Accounts for 1886–87 and 1887–88,

REVENUE.	Accounts, 1886–87.	Accounts, 1887–88.	Revised Estimate, 1888–89.	Budget Estimate, 1889–90.	REMARKS.
	Rx	Rx	Rx	Rx	
INTEREST - -	671,000	747,000	839,000	734,000	In 1887–88 there was a receipt of Rx 40,000 for arrears of interest on account of advances for the Kidderpur Dock, and a recovery of arrears from certain talukdari estates in Bombay; and both in 1887–88 and 1888–89 the receipts in England and the Exchange thereon were unusually high.
POST OFFICE, TELEGRAPH, AND MINT.					
Post Office - - -	1,154,000	1,214,000	1,292,000	1,348,000	In all three years the increase arises chiefly in the sale of postage stamps and in fees for money-orders.
Telegraph - - -	693,000	764,000	732,000	752,000	In 1887–88 the increase was attributable to communication with Burma, to the general expansion of the Department, and to a modification of the terms on which railways are allowed to use the Government telegraphs. In 1888–89 the abnormal receipts due to the communication with Burma fell off.
Mint - - -	180,000	252,000	216,000	229,000	The coinage of silver in 1887–88 was very large, and there was a considerable gain also on copper coinage, which is not expected to be so large in the following years.
TOTAL - Rx	2,027,000	2,230,000	2,240,000	2,329,000	

and Estimates for 1888–89 and 1889–90, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1886–87.	Accounts, 1887–88.	Revised Estimate, 1888–89.	Budget Estimate, 1889–90.	REMARKS.
INTEREST.	Rx	Rx	Rx	Rx	
Interest on Debt, other than that charged to Railways and Irr igation Works.	3,949,000	5,055,000	4,264,000	3,903,000	In 1887–88 there was an exceptional charge, under this head, of Rx 1,059,000 (*i.e.* 746,000*l.* with Rx 313,000 for exchange), owing to the measures taken for the conversion of the India 4 into 3½ per cent. Stock; and there was a further charge in England of Rx 136,000, mainly caused by the fall in exchange; but in India therewas a diminution in the year amounting to Rx 99,000, of which Rx 90,000 arose from interest not being claimed. In 1888–89 there was a reduction, as compared with the ordinary charge in 1887–88, of 118,000*l.* for interest, but a final payment of Rx 236,000 (161,000*l.* with Rx 75,000 for exchange) was made in connexion with the conversion of the 4 per cent. Stock; there was an increase of Rx 62,000 in the exchange on the normal payment of interest; and in India there was an increase of Rx 88,000 attributable to the arrears of the previous year. In 1889–90, besides the cessation of the exceptional payments, a further saving is expected of 74,000*l.* in interest in England, of Rx 35,000 in exchange, and of Rx 16,000 in India, where the conversion in 1888 of a 4½ into a 4 per cent. loan effected an annual saving of nearly Rx 9,000.
Interest on other Obligations.	361,000	387,000	437,000	456,000	The increase is in the interest on savings bank deposits.
TOTAL - Rx	4,310,000	5,442,000	4,701,000	4,359,000	
POST OFFICE, TELEGRAPH, AND MINT.					
Post Office - -	1,350,000	1,375,000	1,349,000	1,403,000	The increase in 1887–88 was in the cost of the Presidency and District Offices, and in the district charges. In 1888–89 a saving of 23,000*l.* accrued under the new postal contract, and exchange was less by Rx 7,000. The increase expected in 1889–90 arises under the Presidency and District Offices, and is partly due to the inclusion, for the first time, of the post offices in Mysore.
Telegraph - - -	714,000	787,000	721,000	762,000	The increase in 1887–88 arose chiefly from heavier expenditure on capital account, but to some extent it was caused by a revision of salaries in the superior grades of the department, and by the additional establishment required for Upper Burma. In 1888–89 the capital outlay was reduced, both in India and in England. The increase in 1889–90 is due to extensive renewals, and to additional charges for maintenance owing to the greater length of line.
Mint - -	81,000	94,000	98,000	103,000	The increase in 1887–88 was mainly caused by the large amount of uncurrent coin received in the Gwalior loan which had to be recoined. In the later years it is due to the purchase of more stores in England.
TOTAL - Rx	2,145,000	2,256,000	2,168,000	2,268,000	

STATEMENT showing the Principal Figures in the Indian Accounts for 1886–87 and 1887–8,

REVENUE.	Accounts, 1886–87.	Accounts, 1887–88.	Revised Estimate, 1888–89.	Budget Estimate, 1889–90.	REMARKS.
CIVIL DEPARTMENTS:	Rx	Rx	Rx	Rx	
Law and Justice	587,000	572,000	602,000	597,000	In 1887–88 the reduction occurred mainly in the sale proceeds of jail manufactures, but in the North-West Provinces it was also owing to smaller receipts for the hire of convicts; on the other hand, there was a considerable increase from general fees, fines, and forfeitures, and there were recoveries from Native States for prisoners at Port Blair. The increase in 1888–89 arose in fees and fines in Madras, and in receipts at Port Blair.
Police	316,000	350,000	348,000	346,000	The increase in 1887–88 was due to the receipts in Burma, and to recoveries for cattle-pounds, &c., in Bengal and other provinces.
Marine	200,000	195,000	191,000	185,000	
Education	208,000	225,000	207,000	212,000	In 1887–88 there was a recovery of arrears from District Boards in Bengal.

and Estimates for 1888–89 and 1889–90, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1886–87.	Accounts, 1887–88.	Revised Estimate, 1888–89.	Budget Estimate, 1889–90.	REMARKS.
CIVIL DEPARTMENTS:	Rx	Rx	Rx	Rx	
General Administration -	1,734,000	1,770,000	1,752,000	1,780,000	In 1887–88 there was a reduction of Rx 9,000 in the staff and household charges of the Governor General, but an increase of Rx 18,000 in Burma, chiefly in the Secretariat and Account Offices, of 23,000*l.* in England for an exceptional payment on the conversion of the 4 per cent. Stock, and of Rx 19,000 in Exchange. The reduction in 1888–89 was due to the absence of the exceptional payment. In 1889–90 the increase arises from full provision being made for tour expenses, and for increments of salary.
Law and Justice - -	3,397,000	3,423,000	3,516,000	3,564,000	In 1887–88 the increase was due to the provision for courts of law and gaols in Upper Burma. In 1888–89 it was owing to the reorganisation of the Commission in Burma, and to additional munsiffs and higher cost of gaol manufactures in Bengal. In 1889–90 also a large part of the increase occurs in Burma; the remainder is chiefly in Madras and the Central Provinces.
Police - - -	3,285,000	3,693,000	3,771,000	3,945,000	In 1887–88 the increase was caused almost entirely by the addition of Rx 360,000 for Upper Burma and Rx 28,000 for Lower Burma. In 1888–89 and 1889–90 there are further additions of Rx 80,000 and Rx 79,000 in Upper Burma; and in the Budget there is also an increase in Bengal (owing to the whole cost of the police in Calcutta being now borne by the government), Lower Burma, and Madras.
Marine - - -	848,000	671,000	576,000	582,000	In 1886–87 there was large expenditure owing to the operations in Upper Burma, and the provision of steamers and launches for that province, to the cost of the armament of the "Dalhousie" and "Lawrence," and to the fall in exchange. In 1887–88 the saving arose from the absence of such exceptional charges in England, and a reduction of the charges for transport for Burma. In 1888–89 there was a reduction of Rx 35,000 in India, chiefly in the purchase and hire of vessels, of 28,000*l.* in the contribution for H.M.'s ships employed in the Indian seas, of 17,000*l.* in stores, &c., and of Rx 15,000 in exchange.
Education - - -	1,305,000	1,292,000	1,309,000	1,354,000	The grants in aid in 1886–87 were unusually high for the Aitchison College building fund in the Punjab, and in Bombay. In 1887–88 there was a considerable increase in Bengal. In 1888–89 and 1889–90 it is chiefly in Bombay.
Ecclesiastical - -	159,000	159,000	159,000	164,000	

STATEMENT showing the Principal Figures in the Indian Accounts for 1886–87 and 1887–88,

REVENUE.	Accounts, 1886–87.	Accounts, 1887–88.	Revised Estimate, 1888–89.	Budget Estimate, 1889–90.	REMARKS.
CIVIL DEPARTMENTS —*continued.*	Rx	Rx	Rx	Rx	
Medical - - -	65,000	60,000	60,000	56,000	
Scientific and other Minor Departments.	86,000	94,000	72,000	68,000	In 1887–88 there was a large sale of mathematical instruments and stores, and there were considerable miscellaneous receipts in Bombay and the Punjab; on the other hand, the sales of cinchona bark in Madras were restricted. In 1888–89 the reduction was due to a change in the form of account, the receipts for instruments and maps supplied to other departments being treated, not as revenue, but as a deduction from the expenditure of the Survey Department.
TOTAL - Rx	1,462,000	1,496,000	1,480,000	1,464,000	
MISCELLANEOUS:					
Superannuation - -	399,000	404,000	424,000	415,000	The increase in 1888–89 was due to contributions on account of officers who have served in Berar. The reduction in 1889–90 occurs in the subscriptions to the funds in England.
Stationery and Printing -	97,000	80,000	68,000	66,000	In 1886–87 there were large receipts from railways for stationery. The reduction in 1888–89 occurred principally in the Punjab, owing to an alteration of the system of supply for the North-Western Railway.

and Estimates for 1888–89 and 1889–90, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1886–87.	Accounts, 1887–88.	Revised Estimate, 1888–89.	Budget Estimate, 1889–90.	REMARKS.
CIVIL DEPARTMENTS —*continued.*	Rx	Rx	Rx	Rx	
Medical - - -	757,000	765,000	767,000	792,000	The increase in 1887–88 was in Upper Burma; in 1889–90 it is expected in Upper Burma, the Punjab, and the North-West Provinces.
Political - - -	755,000	685,000	766,000	682,000	In 1886–87 the Afghan Boundary Commission cost Rx 80,000, and there were special payments on account of foreigners in the service of the ex-King of Burma. In 1887–88 and 1888–89 there were exceptional charges for the demarcation of the Perso-Afghan frontier, and for the deportation of refugees and State prisoners from Persia. The other changes in the last three years are mainly due to the subsidy of the Amir of Afghanistan being drawn at irregular dates.
Scientific and other Minor Departments.	459,000	448,000	422,000	428,000	The reduction in 1888–89 was owing to the receipts for instruments and maps supplied to other departments being deducted from the expenditure of the Survey Department, instead of being treated as revenue.
TOTAL - Rx	12,699,000	12,906,000	13,038,000	13,291,000	
MISCELLANEOUS:					
Territorial and Political Pensions.	648,000	595,000	541,000	523,000	The reduction in 1887–88 and 1888–89 was mainly consequent on the death of the ex-King of Oudh. In 1889–90 it is chiefly in the payments in England, and largely owing to the failure of the Maharajah Dhulip Singh to draw his stipend.
Civil Furlough Allowances.	260,000	309,000	322,000	327,000	Owing to a change in the date of payment, a portion of the charge fell into 1887–88 which otherwise would have been paid in 1886–87, and the charge for exchange was enhanced. The increase in 1888–89 is chiefly due to the fall in exchange.
Superannuation - -	2,861,000	2,987,000	3,118,000	3,147,000	The charge for exchange was increased by Rx 79,000 in 1887–88, and by Rx 81,000 in 1888–89.
Stationery and Printing -	562,000	577,000	537,000	526,000	In 1887–88 the increase occurred chiefly in Madras, where there was a large reduction in 1888–89. The payments in England, including exchange, show a reduction of Rx 46,000 in 1888–89, and a further decrease of Rx 12,000 in 1889–90.

STATEMENT showing the Principal Figures in the Indian Accounts for 1886–87 and 1887–88,

REVENUE.	Accounts. 1886–87.	Accounts, 1887–88.	Revised Estimate, 1888–89.	Budget Estimate, 1889–90.	REMARKS.
MISCELLANEOUS —*continued.*	Rx	Rx	Rx	Rx	
Exchange - -	—	745,000	952,000	527,000	The entry under Exchange is the net result of the Government undertaking the duty of making remittances on various accounts at *specified* rates. In 1886–87 the gain on that account was more than counterbalanced by the charge of Rx 397,000 in the repayment in England of the 4 per cent. Rupee Transfer Loan of 1854, at the rate of 2*s.* 1*d.* the sicca rupee. The large receipts in 1887–88 and the following years are consequent mainly on the capital transactions of the subsidised railway companies.
Miscellaneous - -	352,000	377,000	353,000	332,000	The increase in 1887–88 was caused chiefly by the fees which accrued from the extended operation of the Local Self-Government Act in Bengal, and by recoveries in that province on account of insurance on State railway stores and durbar presents; there were also certain exceptional recoveries in Upper Burma, and in England there was an increase in the fines incurred by contractors. In 1888–89 there were special receipts at Bombay, which did not recur in 1889–90.
TOTAL - Rx	848,000	1,606,000	1,797,000	1,340,000	

and Estimates for 1888–89 and 1889–90, with Explanations—*continued*.

EXPENDITURE.	Accounts, 1886–87.	Accounts, 1887–88.	Revised Estimate, 1888–89.	Budget Estimate, 1889–90.	REMARKS.
MISCELLANEOUS —*continued.*	Rx	Rx	Rx	Rx	
Exchange - -	26,000	—	—	—	*See* note on the Revenue side.
Miscellaneous -	344,000	293,000	378,000	300,000	In 1886–87 the charge was exceptionally increased by the payments for the Finance Committee and the Public Service Commission in India, and the cost of the jubilee celebrations, and by a large write-off in Bombay on account of irrecoverable advances to cultivators, &c. In 1888–89 the excess was due to the outstanding charges against the late Government of Burma.
TOTAL - Rx	4,701,000	4,761,000	4,896,000	4,823,000	
FAMINE RELIEF AND INSURANCE:					
Famine Relief - -	1,000	—	10,000	21,000	In 1886–87 an irrecoverable advance in Madras, made during the famine of 1877, was written off; and in both 1886–87 and 1887–88 there was a very small expenditure on relief works in Bilaspur. The provision in 1888–89 and 1889–90 is for Khurda and Behar.
Construction of Protective Railways.	200,000	—	—	—	In 1886–87 an appropriation of Rx 200,000 from revenue was made under this head, the principal works in course of construction which are calculated to mitigate the effects of famine being the Assam-Behar, Bellary-Kistna, and Villupuram-Dharmaveram Railways. In the four years, further sums of Rx 152,000, 285,000, 486,000, and 611,000, respectively, being interest payable to the Indian Midland and Bengal-Nagpur Railway Companies, or chargeable on advances made to them, are included in the Railway Revenue Account.
Construction of Protective Irrigation Works.	108,000	91,000	73,000	80,000	The outlay was chiefly on the Orissa Coast, Betwa, Swat River, Buckingham, Rushikulya, and Nira Canals, and the Mhasvad Tank.
TOTAL - Rx	309,000	91,000	83,000	101,000	
CONSTRUCTION OF RAILWAYS (charged against Revenue in addition to that under Famine Insurance).	183,000	81,000	18,000	10,000	The charge is almost entirely for the Lucknow - Sitapur - Kheri Railway; some money was, however, spent on the Jorhat and Cherra-Companyganj lines.

STATEMENT showing the Principal Figures in the Indian Accounts for 1886-87 and 1887-88,

REVENUE.	Accounts, 1886-87.	Accounts, 1887-88.	Revised Estimate, 1888-89.	Budget Estimate, 1889-90.	REMARKS.
RAILWAYS:	Rx	Rx	Rx	Rx	
State Railways (Gross Earnings).	10,829,000	10,872,000	11,740,000	13,103,000	In 1887-88 there was an increase of Rx 116,000 on the Eastern Bengal system, owing to the opening of 69 miles of the Assam-Behar section, and to a favourable season in jute, Rx 144,000 on the Southern Mahratta Line in consequence of the opening of extensions and a good traffic, Rx 39,000 on the Burma, and Rx 153,000 on other railways, while there was a reduction of Rx 104,000 on the East Indian, Rx 120,000 on the Rajputana-Malwa, and Rx 185,000 on the North-Western Railway, in consequence of a decline in the grain and seed trade. In 1888-89 there were improvements of Rx 177,000 on the Rajputana-Malwa, Rx 362,000 on the North-Western, and Rx 92,000 on the Eastern Bengal systems, as well as Rx 82,000 on the Indian Midland, Rx 67,000 on the Southern Mahratta, and Rx 43,000 on the Bengal-Nagpur lines, owing to the opening of fresh sections, and Rx 28,000 on other lines, but the East Indian Railway showed a further fall of Rx 153,000; the inclusion of the Oudh and Rohilkund Railway as a State line, for the last three months of the year, added Rx 170,000 under this head. The estimate for 1889-90 includes a further increase of Rx 570,000 owing to that railway being treated as a State line during the whole year; an increase of Rx 358,000 is anticipated from the extension of the Indian Midland Railway, and of Rx 95,000 from the opening of the Tounghoo-Mandalay line; and improvements are expected of Rx 97,000 on the Southern Mahratta and Mysore system, Rx 81,000 on the Bengal-Nagpur, Rx 50,000 on the North-Western, and Rx 112,000 on other lines.

and Estimates for 1888–89 and 1889–90, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1886–87.	Accounts, 1887–88.	Revised Estimate, 1888–89.	Budget Estimate, 1889–90.	REMARKS.
RAILWAY REVENUE ACCOUNT:	Rx	Rx	Rx	Rx	
State Railways: Working Expenses.	5,220,000	5,594,000	6,043,000	6,874,000	In 1887–88 an increase of Rx 317,000 occurred on the North-Western system, owing to the opening of new sections of the frontier lines, and a re-organisation of establishments, of Rx 111,000 on the Southern Mahratta and Mysore system, and of Rx 97,000 on other lines, while there was a reduction of Rx 82,000 on the East Indian, of Rx 61,000 on the Rajputana-Malwa, and of Rx 27,000 on the Eastern Bengal Railway; the surplus profits paid to Companies for working State railways were increased by Rx 19,000. In 1888–89 additions occurred of Rx 121,000 on the North-Western, partly for renewal of permanent way, and of Rx53,000 on the Rájputana-Malwa, owing to increased traffic, of Rx 20,000 on the Tounghoo-Mandalay, Rx52,000 on the Indian Midland, and Rx 75,000 on the Southern Mahratta, owing to extensions, of Rx 57,000 by including the Oudh and Rohilkund Railway for three months, and of Rx 71,000 on other lines. In 1889–90 the inclusion of the last-named railway for the whole year causes a further addition of Rx 303,000, the extension of the Indian Midland line adds Rx 275,000, and that of the Tounghoo-Mandalay Railway Rx 80,000, while on the Southern Mahratta and Mysore system an increase of Rx 56,000, and under all other lines of Rx 117,000, is anticipated.
State Railways: Interest on Debt.	3,202,000	3,342,000	3,594,000	4,022,000	The increase in 1887–88 arose in India, owing to the additional capital spent by the Government on the construction of State railways. In 1888–89 and 1889–90 Rx 111,000 and Rx 91,000 are due to the same cause; but in 1888–89 the charge in England was increased by 80,000*l.*, owing partly to the payment of a fifth quarter's interest on the Stock issued in exchange for East Indian Railway annuities, and partly to the purchase of the Oudh and Rohilkhund railway; and in 1889–90 there is a further increase of 299,000*l.* under this head owing to that purchase, but a saving of 69,000*l.* in the interest charged against the East Indian Railway. Exchange caused an increase of Rx 19,000, Rx 61,000, and Rx 107,000 in the three years.
State Railways: Annuities in purchase of Railways.	2,309,000	2,391,000	2,474,000	2,473,000	The increase in 1887–88 and 1888–89 is caused by the fall in exchange.
State Railways: Interest chargeable against Companies on Advances.	—	—	—	69,000	This is that portion of the interest on debt which is charged to railway companies on account of advances made to them for the construction of lines through their agency, or for the discharge of debentures, instead of the companies raising the money by the issue of their debentures guaranteed by the Government.

STATEMENT showing the Principal Figures in the Indian Accounts for 1886–87 and 1887–88,

REVENUE.	Accounts, 1886–87.	Accounts, 1887–88.	Revised Estimate, 1888–89.	Budget Estimate, 1889–90.	REMARKS.
RAILWAYS—*continued.*	Rx	Rx	Rx	Rx	
Guaranteed Companies (Net Traffic Receipts).	3,647,000	3,636,000	3,653,000	3,560,000	In 1887–88 the reduction was due to a falling-off on the Bombay and Baroda Railway of Rx 74,000, while there was an increase on all the other lines except the South Indian. In 1888–89 an improvement of Rx 88,000 took place on the Great Indian Peninsula Railway, and of Rx 105,000 on the three other lines; but a reduction of Rx 176,000 under this head was caused by the transfer of the Oude and Rohilkund to the class of State railways for the last quarter of 1888–89. In 1889–90 a further reduction of Rx 170,000 is due to the removal of that line from this category for the whole year; on the other lines an improvement of Rx 77,000 is anticipated.
Subsidized Companies (repayment of Advances of Interest).	2,000	25,000	35,000	23,000	The figures represent the recovery from the Mysore State on account of the excess of interest on the capital outlay upon its line over the net receipts of the railway.
TOTAL - Rx	14,478,000	14,533,000	15,428,000	16,686,000	

and Estimates for 1888-89 and 1889-90, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1886-87.	Accounts, 1887-88.	Revised Estimate, 1888-89.	Budget Estimate, 1889-90.	REMARKS.
RAILWAY REVENUE ACCOUNT—*continued.*	Rx	Rx	Rx	Rx	
State Railways: Interest on Capital deposited by Companies.	473,000	666,000	949,000	1,016,000	The figures for 1886-87 refer to the Southern Mahratta, Indian Midland, and Bengal Central Railway Companies; and in 1887-88 and subsequent years the Bengal-Nagpur Railway is also included. The increase in exchange was Rx 68,000 in 1887-88, Rx 98,000 in 1888-89, and Rx 21,000 in 1889-90.
Guaranteed Companies: Surplus Profits, Land, &c.	601,000	714,000	569,000	650,000	The moiety of surplus profits payable to the Companies appears as follows in the accounts and estimates:
Guaranteed Companies: Interest.	3,722,000	3,853,000	3,960,000	3,439,000	The additional charge on account of exchange was Rx 118,000 in 1887-88, and Rx 122,000 in 1888-89. The interest on overdrawn capital in India was less than usual in the latter year. In 1889-90 there is a reduction of 369,000*l.* owing to the removal of the Oude and Rohilkund railway from this class, and the exchange is less by Rx 172,000.
Subsidized Companies: Land, &c.	45,000	44,000	29,000	87,000	This is compensation for land taken up for the Bengal and North-Western Railway, and subsidy to the Rohilkund-Kumaon and Dibru-Sadiya Companies.
Miscellaneous Expenditure.	94,000	52,000	75,000	83,000	Chiefly for surveys, and Director-General's and Port Storekeepers' Establishments. In 1886-87 there was heavy expenditure on the survey of frontier lines.
TOTAL - Rx	15,666,000	16,656,000	17,693,000	18,713,000	

	1886-87.	1887-88.	1888-89.	1889-90.
	Rx	Rx	Rx	Rx
Bombay and Baroda -	177,000	170,000	115,000	153,000
Great Indian Peninsula -	345,000	493,000	409,000	460,000
Scinde Punjab and Delhi -	13,000	—	—	—
Rx	535,000	663,000	524,000	613,000

STATEMENT showing the Principal Figures in the Indian Accounts for 1886–7 and 1887–88,

REVENUE.	Accounts, 1886–87.	Accounts, 1887–88.	Revised Estimate, 1888–89.	Budget Estimate, 1889–90.	REMARKS.
IRRIGATION:	Rx	Rx	Rx	Rx	
Major Works: Direct Receipts.	910,000	951,000	1,061,000	1,090,000	In 1887–88 the increase was due to large irrigation from the Western Jumna and Sirhind Canals, and the development of irrigation generally in the Punjab, while there was a falling off under the Ganges, Agra, and Son Canals, the ratepayers in the case of the last having withheld payments in hope of obtaining remissions. In 1888–89 the improvement occurred chiefly on the Sirhind, Lower Ganges, Son, and Ganges Canals, while the Western Jumna Canal showed a decrease. In 1889–90 the increase is expected from the Western Jumna and Sirhind Canals.
Major Works: Portion of Land Revenue due to Irrigation.	598,000	602,000	612,000	629,000	An improvement occurred in 1887–88 in the Madras delta lands, while there was a considerable falling off in the Bari Doab. In 1888–89 and 1889–90 the increase is anticipated from the works in Sind and Madras.
Minor Works and Navigation.	149,000	161,000	166,000	170,000	In 1887–88 the increase occurred chiefly in Bengal.
TOTAL - Rx	1,657,000	1,714,000	1,839,000	1,889,000	
BUILDINGS AND ROADS:					
Military Works -	188,000	40,000	40,000	39,000	The receipts are usually derived from the rents of buildings and sale of old materials. In 1886–87 Rx 150,000 was included as compensation from Maharaja Sindia, for the cantonment buildings at Morar.
Civil Works - -	539,000	552,000	549,000	565,000	The receipts are mostly derived from rents, sale of stores, proceeds of workshops, tolls, and ferries.
TOTAL - Rx	727,000	592,000	589,000	604,000	

and Estimates for 1888–89 and 1889–90, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1886–87.	Accounts, 1887–88.	Revised Estimate, 1888–89.	Budget Estimate, 1889–90.	REMARKS.
IRRIGATION:	Rx	Rx	Rx	Rx	
Major Works: Working Expenses.	627,000	678,000	720,000	692,000	The increase in 1887–88 was chiefly in the Punjab and on the Son Canal. In 1888–89 extensive repairs in the Punjab were rendered necessary by the heavy floods of 1888, and the distributary system of the Sirhind Canal was extended.
Major Works: Interest on Debt.	993,000	1,018,000	1,041,000	1,065,000	The increase arises from further capital outlay.
Minor Works and Navigation.	691,000	766,000	870,000	858,000	In 1887–88 there was considerable outlay on the Khush Dil Khan Reservoir and Shebo Canal in Biluchistan, and on the Orissa Coast project. In 1888–89 it was principally due to the restoration of tanks in Madras.
TOTAL - Rx	2,311,000	2,462,000	2,631,000	2,615,000	
BUILDINGS AND ROADS:					
Military Works - -	1,062,000	1,232,000	1,115,000	1,157,000	An average sum of 1,000,000*l.* a year is granted for the construction and repair of military works throughout India. In 1887–88 an additional grant was made for military works and roads in Upper Burma, where Rx 315,000 was spent; on the other hand, there was a recovery of Rx 26,000 from the British Government for its share of expenditure on the defences of Aden. In 1888–89 Rx 163,000 was spent in Upper Burma, and Rx 150,000 is estimated for a similar purpose in 1889–90.
Civil Works - -	4,140,000	4,219,000	4,214,000	4,325,000	In 1887–88 there was an expenditure of Rx 69,000 on frontier roads in the Punjab, and of Rx 343,000 (or Rx 171,000 more than in the previous year) in Upper Burma, but there were large savings in establishments in Bengal, and on buildings in Bombay. In 1888–89 the expenditure in Upper Burma was Rx 310,000; there was an increase of Rx 66,000 in Bengal, principally on feeder roads in connexion with the Bengal-Nagpur Railway, but a large reduction occurred in the outlay on buildings at Simla. In 1889–90, a considerable saving is expected in the Punjab, but this is counterbalanced by the increase anticipated in the Central Provinces, in Lower Burma, and in stores from England; the estimate for Upper Burma is Rx 306,000.
TOTAL - Rx	5,202,000	5,451,000	5,329,000	5,482,000	

STATEMENT showing the Principal Figures in the Indian Accounts for 1886–87 and 1887–88.

REVENUE.	Accounts, 1886–87.	Accounts, 1887–88.	Revised Estimate, 1888–89.	Budget Estimate, 1889–90.	REMARKS.
ARMY SERVICES:	Rx	Rx	Rx	Rx	
Army: Effective - -	929,000	983,000	915,000	879,000	In 1887–88 there was a recovery of Rx 30,000 on account of advances made to the Irrawady Flotilla Company, and also a credit for naval stores taken over by the British Government.
Army: Non-effective	56,000	78,000	61,000	66,000	In 1887–88 there was a special receipt of arrears of contributions on account of officers who had served in Berar.
TOTAL - Rx	985,000	1,061,000	976,000	945,000	

and Estimates for 1888–89 and 1889–90, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1886–87.	Accounts, 1887–88.	Revised Estimate, 1888–89.	Budget Estimate, 1889–90.	REMARKS.
ARMY SERVICES:					
Army: Effective - -	Rx 16,230,000	Rx 16,862,000	Rx 16,576,000	Rx 17,085,000	In consequence of the decision to pay the British Troops, after the 1st of January 1884, at the rate of exchange fixed annually by the Treasury for the payment of troops in the Colonies, there was an increase of Rx 161,000 in 1887–88, a further increase of Rx 65,000 in 1888–89, and a yet further charge of Rx 130,000 in 1889–90, making a total addition since 1883 of Rx 672,000, owing to the continued fall in the gold price of silver. In 1887–88 the additional expenditure in Burma was less than in the previous year by Rx 42,000, and amounted to Rx 1,475,000, chiefly for commissariat charges, telegraph service, gratuity to the troops, and medals; but there was an increase of Rx 515,000 owing to the greater strength of the Army and other causes in India, and of 56,000*l.* in England, the payments for stores being heavier by 171,000*l.*, and for miscellaneous charges by 7,000*l.*, while the ordinary payments to the British Government were reduced by 50,000*l.*, and the cost of the transport service by 72,000*l.*, owing to diminished expenditure on repairs; on the other hand, there was an addition of Rx 103,000. in exchange. In 1888–89 there were charges of Rx 142,000 for the Black Mountain expedition, Rx 210,000 on account of Sikkim, and Rx 35,000 owing to the Lushai Expedition; there was a reduction of Rx 835,000 in the charges in Upper Burma, but an increase of Rx 163,000 on other accounts in India; in England the charges were reduced by 57,000*l.* owing to a less demand for stores, but there was an increase of Rx 56,000 for exchange. In 1889–90 the payments in England for deferred pay, magazine rifles, and breech-loading guns, &c. are estimated to be higher by 162,000*l.*, and the exchange by Rx 75,000; in India there is an exceptional charge of Rx 203,000 for the purchase of transport animals, provisions, and equipments, for the mobilisation of an Army Corps, a reduction of Rx 277,000 in the cost of special expeditions, and of Rx 40,000 in the extra charges for Burma, and an increase of Rx 257,000 in other ways.
Army: Non-effective -	3,295,000	3,556,000	3,795,000	3,890,000	From the 1st of April 1884, the system of paying, in respect of officers and men of the British Forces, the capitalised value of the share of India in each pension when granted, was abandoned, and the charge borne by India during the year was henceforward to be her portion of each pension according to actuarial tables of life. The result was a decrease of 705,000*l.* at first, but the amount will gradually rise again for many years. In 1887–88 there was an increase of Rx 12,000 in India owing to the capitalisation of pensions and additions to the pension list, and in England of 59,000*l.* for the British forces, 61,000*l.* for Indian officers, &c., and Rx 129,000 for exchange. In 1888–89 the increase in India was Rx 20,000; in England, on account of the British forces 49,000*l.*, for Indian officers, &c., 42,000*l.*, and for exchange Rx 128,000. The increase in the estimate for 1889–90 arises entirely in England, and is chiefly for the British forces, and for exchange.
TOTAL - Rx	19,525,000	20,418,000	20,371,000	20,975,000	

STATEMENT showing the Principal Figures in the Indian Accounts for 1886–87 and 1887–88,

REVENUE.	Accounts, 1886–87.	Accounts, 1887–88.	Revised Estimate, 1888–89.	Budget Estimate, 1889–90.	REMARKS.
	Rx	Rx	Rx	Rx	
TOTAL REVENUE Rx	77,337,000	78,760,000	81,585,000	82,985,000	

and Estimates for 1888-89 and 1889-90, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1886-87.	Accounts, 1887-88.	Revised Estimate, 1888-89.	Budget Estimate, 1889-90.	REMARKS.
	Rx	Rx	Rx	Rx	
SPECIAL DEFENCE WORKS.	326,000	456,000	818,000	1,103,000	The expenditure is incurred on redoubts, military posts, blockhouses, and roads, on the North-West Frontier, on defences at Aden, Bombay, Karachi, and Rangoon, and in the Hooghly, and on guns and stores in England. In 1887-88 the expenditure in India was increased by Rx 248,000, but there was a reduction of 88,000*l.* in England and of Rx 30,000 in exchange. In 1888-89 and 1889-90 there is an increase of 191,000*l.* and 130,000*l.* respectively for stores, and of Rx 92,000 and Rx 60,000 in exchange.
TOTAL EXPENDITURE, Imperial and Provincial - -	77,123,000	80,418,000	81,584,000	83,470,000	Of the increase over 1886-87, Rx 1,048,000, Rx 1,575,000, and Rx 1,685,000, in the three years respectively, is due to exchange, the average rate of remittance in the four years, actual or estimated, being 17·44*d.*, 16·898*d.*, 16·379*d.*, and 16·38*d.*, per rupee.
PROVINCIAL ADJUSTMENTS:					
Deficits: Expenditure by Provincial Governments from their balances.	—	—	—	— 641,000	In 1886-87, 1887-88, and 1888-89, the Provincial Governments spent less than their income, the saving being added to their balances. In 1889-90 they are expected to spend, besides the whole of their annual allotments, sums which have accumulated in their balances from the savings of previous years. In 1886-87 a special contribution of Rx 400,000 was made from the Provincial Balances in aid of the Imperial Government, Bombay giving Rx 200,000, the Central Provinces Rx 120,000, Madras Rx 60,000, and Assam Rx 20,000. In 1889-90 also contributions will be made, to the total amount of Rx 740,000, of which Rx 200,000 derived from the patwari cess in the North-West Provinces and Rx 50,000 from Burma are permanent, and the remainder is contributed for the single year in the following proportions: Madras and Bombay each Rx 175,000, Bengal Rx 100,000, the Central Provinces Rx 30,000, and Assam Rx 10,000. According to the Accounts and Estimates of the four years, the Government of Bombay will have expended Rx 280,000; the Central Provinces Rx 248,000; Assam Rx 13,000; and the North-West Provinces, India General, and the Punjab, together Rx 1,000; while the balance of Madras is estimated to be higher by Rx 249,000, Burma by Rx 138,000, and Bengal by Rx 124,000. The total net decrease is thus Rx 31,000.
Surpluses: Allotments to Provincial Governments unspent by them.	36,000	371,000	203,000	—	
TOTAL EXPENDITURE charged against the Revenue of the Year Rx	77,159,000	80,789,000	81,787,000	82,829,000	

STATEMENT showing the Principal Figures in the Indian Accounts for 1886-87 and 1887-88,

REVENUE.	Accounts, 1886-87.	Accounts, 1887-88.	Revised Estimate, 1888-89.	Budget Estimate, 1889-90.	REMARKS.

and Estimates for 1888–89 and 1889–90, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1886–87.	Accounts, 1887–88.	Revised Estimate, 1888–89.	Budget Estimate, 1889–90.	REMARKS.
EXPENDITURE NOT CHARGED TO REVENUE:					
Capital Outlay on Railways and Irrigation Works:	Rx	Rx	Rx	Rx	
State Railways -	5,123,000	2,252,000	1,365,000	3,562,000	In 1887–88 the outlay (including that from revenue) was actually Rx 3,723,000, but there were refunds amounting to Rx 1,390,000 from the Bengal-Nagpur Railway Company, on the transfer to it of the line already constructed by the State. Similarly, in 1888–89, the outlay was Rx 2,790,000, but the Indian Midland Company refunded Rx 921,000, and the Bengal-Nagpur Company Rx 486,000, on the transfer to them of the Sindia and Katni-Umaria lines, respectively. The total outlay on the construction of State Railways during these four years, is as follows:—

——	1886–87.	1887–88.	Revised Estimate, 1888–89.	Budget Estimate, 1889–90.
	Rx	Rx	Rx	Rx
From Borrowed Money -	5,123,000	2,252,000	1,365,000	3,562,000
From Revenue - -	383,000	81,000	18,000	10,000
TOTAL - Rx	5,506,000	2,333,000	1,383,000	3,572,000
DISTRIBUTION.				
East Indian - -	159,000	58,000	5,000	240,000
Eastern Bengal - -	207,000	207,000	182,000	199,000
Assam-Behar and Tirhoot	270,000	248,000	317,000	102,000
Oudh and Rohilkhund -	—	—	59,000	53,000
Lucknow-Sitapur-Seraman	161,000	65,000	14,000	10,000
Bengal-Nagpur - -	74,000	*-1,390,000*	*-486,000*	132,000
Sindia - - - -	—	—	*-924,000*	—
Rajputana-Malwa - -	52,000	127,000	29,000	31,000
North-Western - -	279,000	252,000	111,000	312,000
Sindh-Sagar: Western Section.	1,029,000	231,000	188,000	49,000
Chenab Bridge - -	—	9,000	227,000	171,000
Peshawar-Jamrud -	—	—	—	70,000
Sindh-Pishin - -	1,828,000	164,000	206,000	129,000
Bolan High Level Line -	—	77,000	92,000	10,000
Chaman Extension -	—	167,000	503,000	524,000
Kandahar Reserve Material.	90,000	48,000	*-111,000*	*-5,000*
Bellary-Kistna - -	356,000	421,000	1,000	—
Villupuram-Dharmaveram	212,000	87,000	113,000	1,012,000
Bezvada Extension -	—	35,000	54,000	4,000
Tounghoo-Mandalay -	226,000	1,057,000	742,000	43,000
Mu Valley - - -	—	—	—	200,000
Other Lines - - -	166,000	32,000	143,000	126,000
Stores and Reserve -	*-342,000*	*-342,000*	*-85,000*	160,000
TOTAL - - Rx	5,506,000	2,333,000	1,383,000	3,572,000

Irrigation Works	547,000	533,000	493,000	528,000	The outlay occurs on the following works :—

Works.	1886–87.	1887–88.	Revised Estimate, 1888–89.	Budget Estimate, 1889–90.
	Rx	Rx	Rx	Rx
Orissa Canals - -	43,000	41,000	60,000	50,000
Lower Ganges Canal -	157,000	137,000	93,000	71,000
Western Jumna Canal -	25,000	28,000	19,000	15,000
Sirhind Canal - -	95,000	75,000	27,000	15,000
Chenab Canal - -	37,000	77,000	57,000	50,000
Jhilam Canal - -	—	—	—	50,000
Sirsa Branch Canal -	—	—	—	40,000
Kistna Delta System -	36,000	41,000	52,000	49,000
Periyar Project - -	—	27,000	77,000	80,000
Other Works - -	154,000	107,000	108,000	108,000
TOTAL - -	547,000	533,000	493,000	528,000

TOTAL - Rx	5,670,000	2,785,000	1,858,000	4,090,000	
Capital Charge involved in Redemption of Liabilities:	£	£	£	£	
East Indian Railway.	3,000	—	—	—	Capital charge involved in redemption of Annuity and Debenture Stock.
Scinde Punjab and Delhi Railway.	4,912,000	—	—	—	
Oude and Rohilkhund Railway.	—	—	10,336,000	—	Capital charge involved in purchase of Railway, discharge of Debentures, and assumption of liability for further Debentures and Debenture Stock.
TOTAL - £	4,915,000	—	10,336,000	—	

NET REVENUE AND EXPENDITURE.

Net Revenue.

Gross Revenue, deducting Refunds and Drawbacks, and Charges of Collection.	Accounts, 1886–87.	Accounts, 1887–88.	Revised Estimate, 1888–89.	Budget Estimate, 1889–90.
	Rx	Rx	Rx	Rx
Land Revenue	19,556,000	19,653,000	19,622,000	19,725,000
Opium	6,214,000	6,091,000	5,912,000	5,895,000
Salt	6,141,000	6,226,000	7,209,000	7,536,000
Stamps	3,559,000	3,669,000	3,733,000	3,780,000
Excise	4,220,000	4,374,000	4,541,000	4,546,000
Provincial Rates	2,942,000	2,965,000	2,942,000	3,190,000
Customs	1,082,000	1,182,000	1,205,000	1,231,000
Assessed Taxes	1,278,000	1,383,000	1,463,000	1,470,000
Forest	383,000	402,000	509,000	464,000
Registration	113,000	123,000	136,000	135,000
Tributes from Native States	695,000	744,000	767,000	783,000
	46,183,000	46,812,000	48,039,000	48,755,000
Deduct: Assignments and Compensations	1,447,000	1,469,000	1,480,000	1,541,000
Net Revenue Rx	44,736,000	45,343,000	46,559,000	47,214,000

Net Expenditure.

Gross Expenditure, deducting Receipts.	Accounts, 1886–87.	Accounts, 1887–88.	Revised Estimate, 1888–89.	Budget Estimate, 1889–90.
	Rx	Rx	Rx	Rx
Interest	3,640,000	4,695,000	3,862,000	3,624,000
Post Office, Telegraph, and Mint	118,000	26,000	*–73,000*	*–60,000*
Civil Departments	11,237,000	11,411,000	11,558,000	11,827,000
Miscellaneous Civil Charges	3,053,000	3,155,000	3,099,000	3,483,000
Famine Relief and Insurance	309,000	91,000	83,000	101,000
Construction of Railways (charged against Revenue, in addition to that under Famine Insurance).	183,000	81,000	18,000	10,000
Railway Revenue Account	1,189,000	2,123,000	2,265,000	2,027,000
Irrigation	654,000	747,000	792,000	725,000
Buildings and Roads	4,474,000	4,859,000	4,741,000	4,879,000
Army Services	18,540,000	19,357,000	19,395,000	20,030,000
Special Defence Works	325,000	456,000	818,000	1,103,000
	44,522,000	47,001,000	46,558,000	47,749,000
Provincial Adjustments	36,000	371,000	203,000	*–641,000*
Net Expenditure Rx	44,558,000	47,372,000	46,761,000	47,108,000
Surplus (+), or Deficit (–) Rx	+178,000	*–2,029,000*	*–202,000*	+106,000

India Office,
15th May 1889.

HENRY WATERFIELD,
Financial Secretary.

EAST INDIA. ACCOUNTS AND ESTIMATES, 1887-88.

EXPLANATORY MEMORANDUM

BY THE

UNDER SECRETARY OF STATE FOR INDIA.

Presented to both Houses of Parliament by Command of Her Majesty.

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1887.

[C.—5189.] *Price* 5*d.*

Memorandum by the Under Secretary of State for India, relating to the Accounts of the Government of India for 1885–86, and the Estimates for 1886–87 and 1887–88.

[*Note.*—Owing to the difficulty experienced in distinguishing between Pounds sterling and Tens of Rupees, the notation of £ for the former and Rx for the latter has been adopted in the present paper, with the view of ascertaining whether it is generally approved, before it is introduced into the Accounts and Estimates.]

The following are the documents laid before Parliament this year, in respect of the Financial Position of India :—

Finance and Revenue Accounts of the Government of India for 1885–86 (on which the formal Resolution to be submitted to the Committee will be based).

Home Accounts of the Government of India: Account for 1885–86, with Estimate for 1886–87, &c. (No. 152 of 1887).

Estimate of the Revenue and Expenditure of the Government of India for 1886–87, compared with the Results of 1885–86 (No. 179 of 1887).

Returns of Loans raised in India and in England, in 1886–87 (Nos. 5, 22, 105, and 198 of 1887).

Indian Financial Statement for 1887–88 (No. 134 of 1887).

Administration Report on the Railways in India for 1886–87. [C.—5122.]

Statement exhibiting the Moral and Material Progress and Condition of India during 1885–86 (No. 191 of 1887).*

The Statistical Abstract relating to British India from 1876–77 to 1885–86 is in course of preparation.

Revenue and Expenditure.

The Gross Revenue and Expenditure of the Government of India for the three years are as follows. The figures of the Revised Estimate for 1886–87 are taken from No. 179, which differs from the Financial Statement, owing to the Revenue and Expenditure in England being corrected to the end of the year.

Gross Revenue and Expenditure.	Account, 1885–86.	Revised Estimate, 1886–87.	Budget Estimate, 1887–88.
	Rx	Rx	Rx
Revenue - - - - -	74,464,197	76,081,223	77,460,200
Expenditure chargeable thereon - -	77,265,923	76,021,150	77,443,500
Surplus - - -	—	60,073	16,700
or Deficit - - -	2,801,726	—	—

* Now being printed.

Apart from other considerations, the Revenue and Expenditure of the country are continually increasing through the opening of additional railways and canals; and, therefore, a clearer view of the financial condition may be gathered by a reference to the net Revenue and Expenditure (in the form given at page 64 of the Financial Statement); the net Revenue being the amount received from the principal sources, after deducting the cost of collection, &c., and the net Expenditure being the charges of the various departments, after deducting the receipts of those departments. The following are the net figures:—

Net Revenue and Expenditure.	Account, 1885–86.	Revised Estimate, 1886–87.	Budget Estimate, 1887–88.
	Rx	Rx	Rx
Net Revenue - - - -	42,637,047	43,880,566	44,478,100
Net Expenditure - - - -	45,438,773	43,820,493	44,461,400
Surplus - - -	—	60,073	16,700
or Deficit - - -	2,801,726	—	—

Account, 1885–86.

Net Revenue and Expenditure.	Budget Estimate.	Revised Estimate.	Account.
	Rx	Rx	Rx
Net Revenue - - - -	42,718,400	42,127,733	42,637,047
Net Expenditure - - -	42,071,800	44,980,137	45,438,773
Surplus - - -	646,600	—	—
or Deficit - - - -	—	2,852,404	2,801,726

As explained last year, the principal causes of the variation from the Budget were, the extraordinary military preparations which, under the designation of the Quetta Field Force, involved a net Expenditure of Rx 2,116,000, the Expedition to Burma which cost Rx 605,000, and the increased Political charges which were Rx 484,000 in excess of the Budget Estimate.

Compared with the Revised Estimate, the Account shows an improvement of Rx 509,314 in the net Revenue, of which Rx 169,216 occurs under Land Revenue, Rx 80,334 under Opium, Rx 114,674 under Salt, Rx 77,658 under Provincial Rates, and Rx 67,432 under other heads. The net Expenditure is increased by Rx 458,636, owing to the augmentation of the Army charges by Rx 296,279, Superannuation by Rx 128,140, and the unspent allotments to Provincial Governments by Rx 409,982, while under Buildings and Roads there is a reduction of Rx 289,946, and under other heads of Rx 85,819.

Revised Estimate, 1886–87.

Net Revenue and Expenditure.	Budget Estimate.	Revised Estimate.
	Rx	Rx
Net Revenue - - - -	44,249,900	43,880,566
Net Expenditure - - -	44,067,700	43,820,493
Surplus - - -	182,200	60,073

The reduction of Rx 369,300 in the net Revenue is due to the following alterations:—

	Rx	
Opium	−463,100	(There being a reduction of Rx 328,700 in the revenue, and an increase of Rx 134,400 in the expenditure.)
Assessed Taxes	−104,000	(Owing mainly to the Income Tax being assessed only on the surplus profits of the Guaranteed Railways, instead of on their net earnings. As, however, a large part of the charge would have fallen on the portion of the earnings accruing to the Government, the actual loss of revenue on this account is only Rx 38,800.)
Salt	+159,700	(Chiefly in Bombay and the Central Provinces.)
Excise	+119,100	(General increase.)
Other heads	−9,500	
	−297,800	
Assignments and Compensations (increased expenditure)	71,500	
Net worse	−369,300	

In the net Expenditure there is a reduction of Rx 247,200; but, as this occurs after withdrawing Rx 1,049,000 from the grant for Famine Insurance, there has virtually been an increase of Rx 801,800, which is owing to the following changes:—

	Rx	
Army	+673,800	(The addition on account of the Military Operations in Burma was Rx 860,000.)
Marine	+175,900	(Upper Burma.)
Police	+233,900	(Upper Burma.)
Telegraph	−130,100	(Increased receipts and reduced charges.)
Construction of Railways (not charged under Famine Insurance)	+78,700	
Railway Revenue Account	−263,400	(The receipts were better by Rx 291,900, and the charges greater by Rx 28,500.)
Irrigation	+69,700	(Reduced receipts and increased charges.)
Buildings and Roads	−119,100	
Other heads	−315,700	
	+403,700	
Portion of expenditure defrayed from Provincial Balances, reduced by	398,100	
	+801,800	(Of the total increase, Rx 416,200, distributed under the various heads, is due to Exchange.)

Budget Estimate, 1887–88.

Net Revenue and Expenditure.	Revised Estimate, 1886–87.	Budget Estimate, 1887–88.
	Rx	Rx
Net Revenue	43,880,566	44,478,100
Net Expenditure	43,820,493	44,461,400
Surplus	60,073	16,700

The increase of Rx 597,600 in the net Revenue is attributable to the following changes:—

	Rx	
Land Revenue	+174,000	(An increase of Rx 327,100 in receipts, chiefly in Burma and Bombay, and of Rx 153,100 in the charges, in Burma, the Central Provinces, the Punjab, and Madras.)
Opium	+273,300	(Reduction of expenditure, as the crop in Bengal is not expected to be so heavy as last year.)
Salt	+79,900	(Increased receipts, and reduced expenditure.)
Assessed Taxes	+77,000	(Increased receipts, and reduced expenditure.)
Other Heads	−6,600	
	+597,600	

In the net Expenditure there is an increase of Rx 640,900, which is thus explained:—

	Rx	
Interest	+89,400	(Chiefly in England.)
Telegraph	+98,400	(Increased charges, and reduced receipts.)
Law and Justice	+110,600	(Chiefly in Upper Burma.)
Police	+461,800	
Political	−119,900	(Owing to the exceptional charges in 1886–87 on account of the Afghan Boundary Commission and the Thibet Mission.)
Exchange on Remittance Accounts.	−413,400	(In 1886–87 there was an exceptional payment in connection with the discharge in England of the Rupee Transfer Loan of 1854.)
Famine Relief and Insurance	−217,400	(In 1886–87 a grant of Rx 200,000 was made for Protective Railways, which is not repeated in 1887–88.)
Construction of Railways	−112,900	
Railway Revenue Account	+131,100	(Increase of receipts, Rx 625,600; increase of expenditure, Rx 756,700.)
Buildings and Roads	+363,600	(Increased expenditure on Military Works in Upper Burma; and reduced receipts, there having in 1886–87 been an exceptional payment by Maharaja Sindia of Rx 150,000 on account of the Gwalior Cantonments.)
Army	+201,500	(Increased expenditure owing to the augmentation of the Army, and larger demands for clothing and Ordnance stores.)
Other Heads	+48,100	
	+640,900	

Principal Changes in the last Two Years.

The following is a comparison of the Financial Position at the beginning of 1885–86 with the present Position:—

Net Revenue and Expenditure.	Budget Estimate, 1885–86.	Budget Estimate, 1887–88.	Increase.
	Rx	Rx	Rx
Net Revenue	42,718,400	44,478,100	1,759,700
„ Expenditure	42,071,800	44,461,400	2,389,600
Surplus	646,600	16,700	worse 629,900

The increase of net Revenue arises thus:—

	Rx
Assessed Taxes	870,900
Upper Burma	405,100
Other Heads	483,700
	1,759,700

The increase of net Expenditure is thus explained:—

	Rx	Rx
Upper Burma: increase	2,175,600	
Exchange: increase	1,833,600	
		4,009,200
Famine Insurance: reduction	1,146,500	
Other Heads: reduction	473,100	
		1,619,600
Net increase		2,389,600

Of the improvement under "Other Heads," of Rx 483,700+473,100=Rx 956,800, Rx 490,000 is attributable to the new agreements with the Provincial Governments.

The net charge for Upper Burma, which is Rx 2,175,600 − 405,100 = Rx 1,770,500, is, therefore, more than met by—

	Rx	Rx
Income tax - - - - - - -	870,900	
	Rx	
Provincial agreements - - -	490,000	
Further improvement under other Heads -	466,800	
	956,800	
		1,827,700

But the addition of Rx 1,833,600 under Exchange has made it impracticable to continue the application of surplus revenue to Famine Insurance.

Famine Insurance and Construction of Railways charged against Revenue.

	1881–82.	1882–83.	1883–84.	1884–85.	1885–86.	1886–87. Revised.	1887–88. Budget.
Famine Insurance:—	Rx	Rx	Rx	Rx	Rx	Rx	Rx
Construction of Protective Railways -	682,403	*− 133,129*	649,248	946,457	589,000	200,000	—
Interest on capital raised by Indian Midland and Bengal-Nagpur Railway Companies (charged under Railway Revenue Account) - - -	—	—	—	—	—	152,000	228,000
Construction of Protective Irrigation Works - - - - - -	135,449	263,443	283,223	258,046	186,807	111,300	92,500
Reduction of Debt - - - - -	715,151	1,343,555	581,137	341,504	683,498	—	—
Total - - -	1,533,003	1,473,869	1,513,608	1,541,007	1,459,305	463,300	320,500
Construction of Railways charged against Revenue, in addition to that under Famine Insurance (excluding outlay from Provincial Balances, so far as shown in the Accounts) - - - - -	512,655	480,923	*− 176,295*	172,825	500,000	—	—
	2,045,658	1,954,792	1,337,313	1,713,832	1,959,305	463,300	320,500
Surplus (excluding Military operations in Afghanistan and Egypt) - - -	2,107,769	1,301,991	1,931,213	*− 383,586*	*− 2,801,726*	60,073	16,700
Virtual Surplus, available for Famine Insurance and Railway Construction -	4,153,427	*3,256,783*	3,268,526	1,330,246	*− 842,421*	523,373	337,200

Exchange.

The following Table shows the amount of the net sterling expenditure in England in recent years, the average rate at which the remittances from India have been effected, the amount which has had to be defrayed under the head of Exchange in effecting the remittances, the further charge or gain in India on the remittance account, the additional estimated payment to the British soldiers arising from the fall in exchange, and the total charge on the revenues on account of Exchange.

Years. (Col. 1.)	Net Sterling Expenditure. (Col. 2.)	Average Rate at which Remittances were effected. (Col. 3.)	Exchange on Net Sterling Expenditure. (Col. 4.)	Exchange in India on Remittance Accounts. (Col. 5.)	Additional Payment to European Soldiers on Account of Exchange (approximate). (Col. 6.)	Total Charge for Exchange. (Col. 7 = 4 + 5 + 6.)
	£	*d*	Rx	Rx (+ more, − less)	Rx	Rx
1881–82 - - -	14,043,000	19·895	2,897,000	+ 91,000	—	2,988,000
1882–83 - - -	13,800,000	19·525	3,166,000	+ 65,000	—	3,231,000
1883–84 - - -	14,770,000	19·536	3,375,000	— 61,000	46,000	3,360,000
1884–85 - - -	13,844,000	19·308	3,364,000	— 12,000	184,000	3,536,000
1885–86 - - -	13,756,000	18·254	4,330,000	— 264,000	233,000	4,299,000
Revised Estimate, 1886–87 -	14,051,000	17·441	5,284,000	+ 48,000	284,000	5,616,000
Budget, 1887–88 - -	14,632,000	17·500	5,435,000	— 365,000	445,000	5,515,000

Upper Burma.

The net Revenue and Expenditure on account of Upper Burma are as follows :—

	Revised Estimate, 1886–87.	Budget Estimate, 1887–88.
Net Expenditure.	Rx	Rx
Police	321,000	732,000
General Administration	27,000	26,900
Law and Justice	23,800	70,900
Medical	7,500	27,500
Political (including pensions)	40,000	25,000
Other Civil Charges	1,500	29,400
Irrigation Works	12,300	24,000
Buildings and Roads : Military	91,900	299,900
" " Civil	130,600	154,000
Extra Army Charges	1,160,000	720,000
Marine	140,000	66,000
	1,955,600	2,175,600
Net Revenue.		
Land Revenue	160,400	321,600
Forests	39,000	32,000
Tributes	—	30,000
Other Heads	14,800	21,500
	214,200	405,100
Net Charge	1,741,400	1,770,500

Army.

The net Expenditure on the Army in recent years has been as follows :—

Years. (Col. 1.)	India. (Col. 2.)	England. Sterling Payments. (Col. 3.)	England. Exchange. (Col. 4.)	England. Equivalent in Tens of Rupees, of Sterling Payments. (Col. 5 = 3 + 4.)	Total. (Col. 6 = 2 + 5).
	Rx	£	Rx	Rx	Rx
1884–85	11,293,000	3,907,000	949,000	4,856,000	16,149,000
1885–86	14,361,000	3,630,000	1,143,000	4,773,000	19,134,000
Revised Estimate, 1886–87	13,230,000	3,538,000	1,330,000	4,868,000	18,098,000
Budget, 1887–88	13,160,000	3,748,000	1,392,000	5,140,000	18,300,000

In 1885–86 the net Expenditure was temporarily increased by Rx 2,116,000 in consequence of the organization of the Quetta Field Force, and by Rx 605,000 on account of the Burma Expedition; there was also additional expenditure on the Pay and Allowances of the Forces in India, of Rx 157,000 for the European Troops (of which about Rx 49,000 was due to the fall in exchange), and Rx 150,000 for the Native Army, and also Rx 40,000 for other charges. In England the payments for Ordnance stores were increased by £287,000, and for other stores by £181,000, while the charge for Exchange was greater by Rx 194,000; but the other payments were reduced by £745,000, mainly owing to the new system of paying, on account of the British Troops serving in India, only the amount of pension accruing in the year, instead of the capitalized value of all pensions granted during the year.

In 1886–87 the charges in India exceed those of 1885–86 (excluding the Quetta Field Force) by Rx 985,000, of which Rx 555,000 is due to the Burma Expedition; the permanent increase of the Army causes an additional charge of about Rx 500,000 for the British Troops (including Rx 51,000 due to the fall in exchange), and of Rx 265,000 for the Native Army, but in other directions a net saving of Rx 335,000 was effected; in England the sterling expenditure is reduced by £92,000, but the charge for Exchange is increased by Rx 187,000.

In 1887–88 the Expenditure in India is reduced by Rx 440,000 on account of the Burma Expedition, and increased by Rx 345,000 for the permanent charge (including Rx 161,000 on account of the additional pay of the European troops owing to the fall in exchange), to which must be added Rx 25,000 for other charges. The sterling Expenditure in England is increased by £210,000, of which £118,000 is for Non-Effective Charges, £110,000 for Stores, and £30,000 for deferred pay, while there is a reduction of £48,000 in Transport and other services; the Exchange is, moreover, increased by Rx 62,000.

Home Charges.

The following is an analysis of the net Expenditure in England charged on the revenues of the year, with the exchange added :—

Net Expenditure.	1885-86.			1886-87.			Budget, 1887-88.		
	Sterling.	Exchange.	Equivalent in Tens of Rupees, of Sterling Payments.	Sterling.	Exchange.	Equivalent in Tens of Rupees, of Sterling Payments.	Sterling.	Exchange.	Equivalent in Tens of Rupees, of Sterling Payments.
Interest and Management of Debt (excluding Interest charged in Railway Revenue Account)	£ 2,451,162	Rx 771,556	Rx 3,222,718	£ 2,591,773	Rx 974,676	Rx 3,566,449	£ 2,655,600	Rx 986,400	Rx 3,642,000
Railway Revenue Account	5,066,577	1,594,814	6,661,391	5,284,126	1,987,178	7,271,304	5,361,700	1,991,500	7,353,200
Civil Administration: Payments on account of Departments in India, passage, outfit, &c.	17,409	5,480	22,889	18,457	6,941	25,398	16,100	6,000	22,100
Postal Subsidy	68,000	21,404	89,404	68,000	25,573	93,573	66,000	24,500	90,500
Telegraph: Red Sea Company's Annuity	18,027	5,674	23,701	18,027	6,779	24,806	18,000	6,700	24,700
„ Indo-European	62,715	19,741	82,456	7,755	2,916	10,671	14,700	5,500	20,200
Public Works: Civil Engineering College	2,467	777	3,244	748	281	1,029	300	100	400
„ Other Charges	6,561	2,065	8,626	8,049	3,027	11,076	7,000	2,600	9,600
Marine: Her Majesty's ships in Indian Seas	72,194	22,724	94,918	70,000	26,325	96,325	70,000	26,000	96,000
„ Other Charges	1,911	601	2,512	4,548	1,708	6,251	2,000	700	2,700
Civil Service: Allowances to Candidates, Examinations, &c.	16,596	5,224	21,820	19,826	7,456	27,282	18,500	6,900	25,400
Lunatics: maintenance	4,640	1,461	6,101	4,681	1,760	6,441	5,200	1,900	7,100
Political charges: Persian Mission	10,000	3,148	13,148	10,000	3,761	13,761	10,000	3,700	13,700
„ Diplomatic and Consular Establishments in China	15,000	4,722	19,722	15,000	5,641	20,641	15,000	5,600	20,600
„ Pensions: territorial and political	22,062	6,944	29,006	18,287	6,877	25,164	27,200	10,100	37,300
„ Other Charges	7,566	2,382	9,948	1,593	599	2,192	2,000	700	2,700
India Office: Salaries of Establishment	139,417	43,884	183,301	137,782	51,815	189,597	138,800	51,600	190,400
„ Auditor's Department	5,965	1,878	7,843	6,124	2,303	8,427	6,300	2,300	8,600
„ Store Department	27,911	8,786	36,697	24,322	9,147	33,469	25,500	9,500	35,000
„ Stationery, postage, telegrams, and other charges	40,295	12,684	52,979	32,554	12,242	44,796	32,900	12,200	45,100
Army: Effective: Home Charges of British Forces serving in India	558,471	175,791	734,262	709,619	266,863	976,482	740,000	274,800	1,014,800
„ „ Troop Service and Transport	295,492	93,012	388,504	266,856	100,355	367,211	220,300	81,800	302,100
„ „ Other Charges	18,611	5,858	24,469	39,080	14,697	53,777	20,000	7,400	27,400
Stores: Civil	432,505	136,140	568,645	443,693	166,858	610,551	592,000	219,900	811,900
„ Military	910,243	286,518	1,196,761	511,020	192,177	703,197	620,900	230,600	851,500
„ Miscellaneous Charges	11,147	3,509	14,656	6,514	2,450	8,964	9,000	3,400	12,400
Furlough: Civil	196,191	61,755	257,946	187,273	70,427	257,700	217,000	80,600	297,600
„ Military	156,791	49,353	206,144	237,247	89,446	327,293	255,000	94,700	349,700
„ Telegraph	5,746	1,809	7,555	6,208	2,335	8,543	7,000	2,600	9,600
„ Public Works	43,051	13,551	56,602	54,309	20,424	74,733	55,000	20,400	75,400
Non-Effective Charges: Civil	1,380,721	434,612	1,815,333	1,478,160	554,905	2,027,165	1,511,600	561,500	2,073,100
„ „ Military	1,690,215	532,031	2,222,246	1,773,287	666,872	2,440,159	1,891,500	702,600	2,594,100
Total	13,755,659	4,329,888	18,085,547	14,050,513	5,283,914	19,334,427	14,632,100	5,434,800	20,066,900

The Expenditure not charged on the Revenues of the year, according to the Accounts and Estimates, was as follows :—

Net Expenditure.	1885-86.			1886-87.			Budget, 1887-88.		
	Sterling.	Exchange.	Equivalent in Tens of Rupees, of Sterling Payments.	Sterling.	Exchange.	Equivalent in Tens of Rupees, of Sterling Payments.	Sterling.	Exchange.	Equivalent in Tens of Rupees, of Sterling Payments.
Capital outlay in construction of State Railways	£ 1,787,175	Rx 562,551	Rx 2,349,726	£ 1,321,074	Rx 496,810	Rx 1,817,884	£ 1,355,000	Rx 503,300	Rx 1,858,300
„ „ on Irrigation Works	6,594	2,076	8,670	2,008	755	2,763	—	—	—
„ „ on special Defence Works	—	—	—	123,445	46,424	169,869	66,300	24,600	90,900
Total	1,793,769	564,627	2,358,396	1,446,527	543,989	1,990,516	1,421,300	527,900	1,949,200

Railways.

The sanctioned and the open mileage of Railways in India were as follows, on the 31st of March 1887 :—

	Sanctioned.	Open.
	Miles.	Miles.
State Imperial: in the hands of Companies -	4,546	3,816
„ „ „ the State - -	3,921	2,502
State Provincial „ Companies -	482	413
„ „ „ the State - -	1,457	1,221
Guaranteed Companies - - - -	3,957	3,896
Assisted „ - - - -	768	594
Other „ - - - -	59	49
Native States: in the hands of Companies - -	938	498
„ „ „ the State - -	468	401
Total - - - -	16,596	13,390

The additional length sanctioned in 1886–87 was 450 miles, of which 225 were on the Toungoo-Mandalay Extension, 124 on the Mysore line, 67 on the Junagarh Railway in Kathiawar, 21 on the Gaekwar's line from Mehsana to Wadnagar, and 13 on other lines. The length opened in 1886–87 was 1,025 miles, of which 251 were on the Southern Mahratta Railways, 276 on the North-Western system, 37 on the Bilaspur-Etawa, 20 on the Tirhoot, and 55 on the Lucknow-Sitapur line; 42 on the Indian Midland, 73 on the Bengal and North-Western, and 41 on the West of India Portuguese Company's Railway; 87 on the Nizam's, 60 on the Jodhpore, 44 on the Wadhwan-Morvi, and 21 on the Gaekwar's line from Mehsana to Wadnagar; and 18 on other lines. In April and May 1887 a further length of 161 miles was opened.

The Capital Expenditure up to the 31st of December 1886 was divided as follows :—

	£
East Indian Railway - - - - -	35,644,000
Eastern Bengal Railway - - - - -	5,022,000
North-Western System - - - -	29,410,000
Other State Lines - - - - -	42,795,000
Companies' Railways - - - - -	60,661,000
Native States - - - - - -	4,839,000
	£178,371,000

Of the Capital raised by the Guaranteed and Assisted Companies, up to the 31st of December 1886,—

£	
51,805,833	consisted of Share Capital.
9,245,300	„ Debentures.
4,711,150	„ Debenture Stock.
160,169	„ Premium on Share Capital and Debentures.
65,922,452	

	£
Of this amount, interest at 5 per cent. is payable on - -	43,350,811
„ „ „ $4\frac{3}{4}$ „ „ - - -	1,166,864
„ „ „ $4\frac{1}{2}$ „ „ - -	925,000
„ „ „ 4 „ „ - - -	14,205,608
„ „ „ $3\frac{1}{2}$ „ „ - -	6,114,000
and the amount not bearing interest is - - - -	160,169
Making the total of - - - -	£65,922,452

Since the close of the year 1886, a new Company has been formed, the Bengal-Nagpur Railway Company, with a capital of £3,000,000 at present, on which interest at 4 per cent. is guaranteed.

The following is an analysis of the Traffic in 1886 :—

Passenger Traffic.	Number.	Receipts.	Percentage.	
			Number.	Receipts.
1st Class	386,102	Rx 198,247	·44	3·42
2nd ,,	2,082,295	307,977	2·35	5·32
3rd or Intermediate Class	3,395,726	320,615	3·84	5·54
4th or Lowest Class	82,572,195	4,270,862	93·37	73·72
Other coaching traffic	—	695,451	—	12·00
Total	88,436,318	5,793,152	100·00	100·00

Goods Traffic.	Tons.	Receipts.	Percentage.	
			Weight.	Receipts.
General merchandise	13,027,107	Rx 10,916,073	66·54	88·14
Military stores	46,380	105,808	·24	·86
Railway materials for construction	1,319,206	156,376	6·74	1·26
Coal for public, and for construction	1,347,599	623,257	6·88	5·03
„ for Revenue purposes only	679,491	189,645	3·47	1·53
Revenue stores other than coal	3,126,356	295,087	15·97	2·38
Live stock	30,226	58,464	·16	·47
Miscellaneous	—	40,204	—	·33
Total	19,576,365	12,385,914	100·00	100·00

Excluding Steam-boat Service and Capital Expenditure on Suspense Account, the following are the general results of working the Railways, for the last three calendar years :—

		1884.	1885.	1886.
Miles open at end of year		11,527	12,208	12,865
Capital outlay at end of year	Rx	150,185,881	156,177,688	165,044,110
Average cost per open mile	„	13,029	12,793	12,829*
Gross earnings (including miscellaneous receipts)	„	15,976,325	17,880,518	18,584,117
Working expenses	„	8,062,646	8,770,196	8,842,295
Net receipts	„	7,913,679	9,110,323	9,741,822
Percentage of net receipts on capital cost		5·27	5·84	5·90
Gross earnings per mile per week, as calculated on mean mileage worked	Rs.	276	284	285

* 5 ft. 6 in. gauge, Rx 16,905.
Metre gauge, Rx 6,880.

While, however, the Railways gave in India a return of more than $5\frac{3}{4}$ per cent. on their capital cost, the expense of paying in England the interest at rates fixed in gold was so heavy, that the result of the Railway Revenue Account is to impose a considerable charge on the Government, as shown in the following statement :—

	1884–85.	1885–86.	Revised Estimate, 1886–87.	Budget Estimate, 1887–88.
	Rx	Rx	Rx	Rx
Receipts - - - - -	11,898,131	13,684,084	14,266,916	14,892,500
Expenditure - - - - -	12,949,306	14,415,797	15,725,220	16,481,900
Net Charge - -	1,051,175	731,713	1,458,304	1,589,400

The increase of the Net Charge in recent years is mainly due to the fall in exchange, the charge for which in the Railway Revenue Account is,—

		Rx
	For 1884–85 - - - -	1,172,877
	„ 1885–86 - - -	1,594,814
Revised Estimate	„ 1886–87 - - - -	1,987,178
Budget Estimate	„ 1887–88 - - - -	1,991,500

Irrigation Works.

The following is the financial result of the works of Irrigation during the three years to which the statement refers :—

	1885–86.	Revised Estimate, 1886–87.	Budget Estimate, 1887–88.
	Rx	Rx	Rx
Major Works :			
Direct receipts - - -	864,773	891,100	959,200
Portion of Land Revenue due to Irrigation - - -	562,607	558,300	576,500
Total Revenue - -	1,427,380	1,449,400	1,535,700
Working expenses - - -	593,150	642,600	645,900
Net Revenue - -	834,230	806,800	889,800
Interest on Debt - - -	964,847	994,300	1,024,900
Net Charge - -	130,617	187,500	135,100
Minor Works and Navigation ; net Charge - - - -	584,852	613,500	618,200
Total net Charge - -	715,469	801,000	753,300

TRADE.

The following is an abstract of the principal figures of the Trade returns for the three years ended 31st March 1887 :—

	1884–85.	1885–86.	1886–87.
	Rx	Rx	Rx
Imports of Private Merchandise	53,149,311	51,811,536	58,696,072
Government stores	2,553,761	3,844,329	3,115,889
Total merchandise	55,703,072	55,655,865	61,811,961
Treasure	13,888,198	15,477,801	11,048,322
Total imports	69,591,270	71,133,666	72,860,283
Exports of Indian Produce and Manufactures	80,313,208	80,734,731	84,918,684
Foreign goods (re-exports)	2,887,320	3,093,109	3,520,895
Government stores	54,764	53,424	41,457
Total merchandise	83,255,292	83,881,264	88,481,036
Treasure	1,970,630	1,108,237	1,720,426
Total exports	85,225,922	84,989,501	90,201,462

Analysis of the Imports of Merchandise.

	1884–85.	1885–86.	1886–87.
	Rx	Rx	Rx
I. Animals, living	207,309	256,829	261,214
II. Articles of food and drink :			
Liquors	1,217,921	1,298,497	1,459,773
Provisions	1,103,321	1,191,882	1,179,474
Salt	649,233	596,048	804,667
Spices	602,165	718,679	663,845
Sugar	2,140,838	1,458,097	2,080,540
Tea	325,548	304,259	324,260
Other articles	288,240	284,404	312,723
Total	6,327,266	5,851,866	6,825,282
III. Metals and their manufactures :			
Hardware, cutlery, and plated ware	844,552	776,542	865,397
Copper	2,070,018	2,093,841	1,994,009
Iron	2,014,909	1,934,706	1,782,990
Lead	117,163	85,413	119,773
Steel	185,555	174,572	209,862
Tin	222,454	221,813	267,878
Zinc or spelter	101,015	136,459	184,008
Brass, quicksilver, and unenumerated metals	132,619	120,256	130,578
Machinery and millwork	1,484,124	991,553	1,371,459
Railway plant and rolling stock (other than Government stores)	1,592,620	2,018,065	1,435,125
Total	8,765,029	8,553,220	8,361,079
IV. Chemicals, drugs, &c. :			
Chemicals	189,857	213,280	196,231
Drugs, medicines, and narcotics	442,787	422,618	495,349
Dyeing and tanning materials	241,303	225,718	261,321
Total	873,947	861,616	952,901

	1884–85.	1885–86.	1886–87.
	Rx	Rx	Rx
V. Oils:			
Kerosine	1,110,051	701,443	1,216,607
Other kinds	119,446	259,687	191,823
Total	1,229,497	961,130	1,408,430
VI. Raw materials and unmanufactured articles:			
Coal, coke, and patent fuel	1,267,213	1,308,415	1,316,615
Cotton	162,598	178,126	118,014
Gums and resins	72,461	75,424	69,527
Ivory	190,126	312,486	288,119
Precious stones and pearls, unset	215,563	203,461	151,030
Seeds	65,880	84,631	65,900
Silk	747,563	721,917	793,376
Wood	71,593	86,872	51,972
Wool	61,821	77,722	80,757
Other articles	197,388	202,869	213,808
Total	3,052,206	3,251,923	3,149,118
VII. Articles manufactured and partly manufactured:			
A. Yarns and textile fabrics:			
Cotton twist and yarn	3,360,420	3,172,083	3,318,377
„ piece goods	20,908,051	20,834,716	25,555,009
„ sewing thread	110,334	111,491	133,495
„ other sorts	179,029	164,338	158,604
Flax, hemp, and jute	145,010	154,949	137,107
Silk	1,273,354	1,109,043	1,382,674
Wool	1,234,340	1,391,862	1,528,865
B. Apparel	948,930	1,037,260	1,095,554
C. Other manufactured articles:			
Arms, ammunition, &c.	79,504	89,652	109,093
Books, maps, charts, &c.	140,121	163,974	165,403
Building and engineering materials	171,300	142,289	149,243
Candles	105,023	94,272	110,736
Clocks and watches	94,465	109,857	105,920
Corals	182,490	134,312	175,019
Earthenware and porcelain	172,794	168,001	170,892
Glass	499,700	505,304	500,850
Instruments and apparatus	156,945	155,769	164,006
Jewelry and plate	96,189	81,951	100,416
Leather	135,665	133,932	141,783
Matches	204,285	196,156	221,730
Paints and colours	157,768	173,132	184,002
Paper	345,230	327,973	312,510
Parts of ships	259,958	108,932	144,640
Soap	69,435	83,204	94,314
Stationery (excluding paper)	171,177	187,792	194,533
Toys and games	122,437	113,558	126,455
Umbrellas	335,285	184,388	274,462
Other articles	1,034,318	944,762	982,956
Total	32,694,057	32,074,952	37,738,048
Government stores:			
Railway plant and rolling stock	1,237,462	2,299,500	1,892,708
Arms, ammunition, and military stores	78,522	241,657	203,756
Books, maps, and charts	3,978	52,455	53,991
Coal	24,123	20,731	23,434
Hardware, cutlery, and plated ware	57,160	104,382	63,053
Leather, and its manufactures	71,385	58,136	71,570
Liquors	142,359	88,645	14,870
Machinery and millwork	86,700	66,280	58,305
Metals	134,844	219,247	156,638
Paper, pasteboard, and stationery	172,523	122,929	106,461
Telegraph materials	188,013	167,521	78,148
Woollen manufactures	92,329	71,162	132,041
Other stores	264,363	331,684	260,914
Total	2,553,761	3,844,329	3,115,889

Analysis of the Exports of Merchandise.

	1884–85.	1885–86.	1886–87.
	Rx	Rx	Rx
I. Animals, living	117,955	100,679	87,632
II. Food and drink:			
Coffee	1,245,506	1,348,395	1,502,251
Rice	7,192,198	9,247,126	8,836,970
Wheat	6,309,140	8,002,350	8,625,876
Other grain, and pulse	386,085	358,637	564,412
Provisions	315,527	381,268	452,886
Spices	473,718	486,274	613,096
Sugar	546,069	525,412	504,763
Tea	4,044,759	4,306,134	4,727,992
Other articles	78,870	57,164	46,168
Total	20,591,872	24,712,760	25,874,414
III. Metals and their manufactures	40,553	45,925	49,660
IV. Chemicals, drugs, and dyeing materials:			
Opium	10,882,603	10,735,518	11,077,669
Tobacco	149,990	124,846	119,558
Other drugs, chemicals, &c.	168,594	156,535	208,216
Cutch and gambier	282,109	252,839	295,251
Indigo	4,068,900	3,783,160	3,691,677
Myrabolams	239,013	299,365	225,896
Other dyeing and tanning materials	100,191	163,310	122,778
Total	15,891,403	15,515,573	15,741,045
V. Oils:			
Castor	308,460	218,623	271,837
Cocoa nut	162,013	122,167	132,459
Other	63,568	54,773	54,516
Total	534,041	395,563	458,812
VI. Raw materials:			
Caoutchouc	77,329	65,620	84,719
Cotton	13,286,367	10,777,204	13,468,438
Feathers	63,302	49,759	52,591
Gums and resins	34,888	159,800	93,246
Hemp	58,268	98,883	164,138
Hides and skins	2,858,580	2,992,397	2,812,091
Horns	158,439	152,926	122,708
Jute	4,661,368	4,355,363	4,869,815
Manures (bones, &c.)	83,952	108,293	92,343
Saltpetre	425,000	370,200	376,091
Seeds: castor	210,338	298,951	288,618
„ earthnuts	361,406	328,611	421,575
„ linseed	4,912,934	5,532,608	5,179,291
„ poppy	409,160	402,869	341,045
„ rape	2,683,591	2,047,448	1,423,767
„ til or jinjili	1,923,013	1,194,183	1,415,327
„ other sorts	244,762	143,680	136,584
Silk	463,791	332,251	484,339
Jade stone	56,005	50,005	56,100
Wood: teak	532,130	550,515	223,168
„ other timber, and ornamental	32,802	49,628	51,362
Wool	713,576	872,321	899,552
Other articles	296,840	306,861	318,742
Total	34,547,841	31,240,376	33,375,650

	1884–85.	1885–86.	1886–87.
VII. Articles manufactured and partly unmanufactured :			
A. Yarns and textile fabrics :	Rx	Rx	Rx
Cotton twist and yarn	2,441,101	2,755,252	3,336,836
„ piece goods	818,667	813,489	882,123
„ other sorts	78,262	66,770	63,592
Jute : gunny bags	1,410,322	984,695	1,051,308
„ „ cloths, rope, twine, &c.	133,547	146,113	100,635
Silk	328,563	329,584	318,104
Wool	118,343	80,748	85,932
B. Apparel	62,612	89,895	79,291
C. Other manufactured articles :			
Coir manufactures	202,248	178,146	191,445
Hides and skins dressed or tanned	2,075,760	2,342,205	2,337,926
Lac	599,145	584,522	518,315
Other articles	320,973	352,436	365,964
Total	8,589,543	8,723,855	9,331,471

Analysis of the Re-exports of Foreign Merchandise.

	1884–85.	1885–86.	1886–87.
	Rx	Rx	Rx
Apparel	67,305	70,692	78,622
Cotton : twist and yarn	65,516	66,303	81,147
„ piece goods	1,150,562	1,326,553	1,452,751
„ other sorts	32,526	42,162	38,300
Gums and resins	44,893	80,537	40,016
Ivory	103,454	151,060	172,269
Metals	106,419	101,021	162,595
Provisions	91,174	99,181	97,163
Silk and its manufactures	76,663	69,885	73,697
Sugar	245,293	205,260	197,269
Tea	92,592	91,044	155,183
Wool and its manufactures	312,773	370,023	489,215
Other articles	498,150	419,388	482,677
Total	2,887,320	3,093,109	3,520,895

Movement of Treasure.

	1884–85.	1885–86.	1886–87.
	Rx	Rx	Rx
Gold : imports	4,778,172	3,091,541	2,828,561
„ exports	106,236	328,606	656,493
Net imports	4,671,936	2,762,935	2,172,068
Silver : imports	9,110,026	12,386,260	8,219,761
„ exports	1,864,394	779,631	1,063,933
Net imports	7,245,632	11,606,629	7,155,828
Net imports of treasure	11,917,568	14,369,564	9,327,896
Amount of silver coined at Calcutta and Bombay	5,774,153	10,270,617	4,612,723

Shipping.

Shipping:	1884–85. No.	1884–85. Tons.	1885–86. No.	1885–86. Tons.	1886–87. No.	1886–87. Tons.
Vessels with cargoes entered: steamers -	1,223	1,806,072	1,330	1,964,393	1,379	2,065,503
„ „ „ sailing -	2,453	778,102	2,420	774,335	2,370	733,683
Total - -	3,676	2,584,174	3,750	2,738,728	3,749	2,799,186
„ „ cleared: steamers -	1,445	2,113,509	1,585	2,323,214	1,568	2,331,240
„ „ sailing -	3,104	1,119,824	3,112	1,197,915	3,153	1,205,159
Total - -	4,549	3,233,333	4,697	3,521,129	4,721	3,536,399

Balance of Trade (approximate).

	1884–85. Rx	1885–86. Rx	1886–87. Rx
Exports of merchandise - - - - -	83,255,000	83,881,000	88,481,000
„ gold - - - - - -	106,000	328,000	656,000
„ silver - - - - - -	1,865,000	780,000	1,064,000
Total - - - - -	85,226,000	84,989,000	90,201,000
Imports of merchandise - - - - -	55,703,000	55,656,000	61,812,000
„ gold - - - - - - -	4,778,000	3,092,000	2,828,000
„ silver - - - - -	9,110,000	12,386,000	8,220,000
Total - - - - -	69,591,000	71,134,000	72,860,000
Net exports of merchandise - - - - -	27,552,000	28,225,000	26,669,000
„ imports of treasure - - - - -	11,917,000	14,370,000	9,328,000
Excess of exports - - - - - -	15,635,000	13,855,000	17,341,000
Payments in India for Secretary of State's bills (including telegraphic transfers) drawn to defray Home charges -	16,028,000	14,403,000	16,404,000*
Excess of exports over payments for bills - - -	*—393,000*	*—548,000*	937,000
Charges not defrayed by India:			
Equivalent of sterling borrowing (at average exchange on remittances) - - - - - - -	*—368,000*	3,916,000	5,051,000
Less net amount of enfaced rupee paper re-transferred to India - - - - - - - -	179,000	1,100,000	500,000
Net charge in England not defrayed by India - -	*—547,000*	2,816,000	4,551,000

* Amount sold in England.

Debt and Public Works.

Excluding debt incurred for the purchase of the Scinde, Punjab, and Delhi Railway, and for the redemption of portions of the annuities granted to the several Railway Companies on the purchase of their undertakings (by which no money was raised), the following are the sums raised by borrowing during the three years, according to the Accounts and Estimates.

	1885-86.	Revised Estimate, 1886-87.	Budget Estimate, 1887-88.
In India - - - - - - Rx	—*480,002*	25,400	5,500,500*
In England - - - - - £	2,978,786	4,796,426	—

* Including Rx 3,500,000 Special Loan from Gwalior.

During the same period the outlay from revenue, from borrowed money, and from the balances, on the construction of Railways and Irrigation Works, is as follows:—

	1885-86.	Revised Estimate, 1886-87.	Budget, 1887-88.
	Rx	Rx	Rx
State Railways - - - - - -	5,933,883	5,534,084	4,369,200
Irrigation Works - - - - - -	749,343	739,563	792,500
	6,683,226	6,273,647	5,161,700
In addition to this, the outlay by Companies guaranteed or subsidized by the Government (sterling payments being converted into Indian currency) is - - -	3,556,119	4,528,250	5,753,000
Total - - - - - -	10,239,345	10,801,897	10,914,700

Assets and Liabilities.

The following is a statement of the Assets and Liabilities of the Government of India. As Indian and English figures cannot be correctly added together without Exchange, the totals of the two sets of figures are shown separately:—

Assets and Liabilities, 31*st March* 1887.

Assets.		*Liabilities.*	
Railways constructed by the State - -	Rx 59,183,000	Debt in India - - - -	Rx 92,721,000
Purchased railways - - - - -	£ 45,204,000	„ England - - - - -	£ 84,228,000
Irrigation Works - - - -	Rx 25,381,000	Railway Companies: unspent Capital -	„ 3,830,000
Loans to Municipalities and Native States -	„ 7,394,000	Other Obligations - - - -	Rx 12,105,000
Cash Balances: India - - - - -	„ 13,017,000		
„ England - - - -	£ 5,280,000		
Total Assets - -	Rx 104,975,000	Total Liabilities -	Rx 104,826,000
and - - - - -	£ 50,484,000	and - -	£ 88,058,000

Burden of Taxation.

In the following rough calculation, the burden of the taxation on the people of British India is shown.

	1885-86.	Revised Estimate, 1886-87.	Budget, 1887-88.
	Rx	Rx	Rx
Salt	6,345,000	6,539,000	6,605,000
Stamps	3,663,000	3,721,000	3,716,000
Excise	4,152,000	4,266,000	4,225,000
Provincial rates	2,960,000	2,944,000	2,957,000
Customs	1,200,000	1,212,000	1,233,000
Assessed taxes	503,000	1,348,000	1,406,000
Registration	308,000	298,000	303,000
Total	19,131,000	20,328,000	20,445,000
The population of British India in 1881 was 198,791,000; so that, reckoning an increase of 1 per cent. per annum, and allowing for the incorporation of Upper Burma in 1886, it may be taken at 207,213, and 215 millions in the three years respectively. On this basis, the payment per head, on the assumption that the whole of the taxation from salt, excise, &c., is paid by the inhabitants of British India, is	R. A. P. 0 14 9	R. A. P. 0 15 3	R. A. P. 0 15 2
If to this be added the payment of Land Revenue	1 1 6	1 1 0	1 1 1
the payments to the Government per head amount to	2 0 3	2 0 3	2 0 3

India Office,
29th July 1887.

John E. Gorst,
Under Secretary of State.

APPENDIX.

STATEMENT showing the Principal FIGURES in the INDIAN ACCOUNTS for 1884–85 and 1885–86, and Estimates for 1886–87 and 1887–88, with Explanations.

[NOTE.—£ denotes sterling; Rx denotes tens of Rupees.]

REVENUE AND EXPENDITURE.	Accounts, 1884–85.	Accounts, 1885–86.	Revised Estimate, 1886–87.	Budget Estimate, 1887–88.	REMARKS.
	Rx	Rx	Rx	Rx	
Revenue - - -	70,691,000	74,464,000	76,081,000	77,460,000	The result of 1885–86 is worse than 1884–85, by Rx. 2,419,000. The estimated result of 1886–87 is better than 1885–86, by Rx 2,862,000. The estimated result of 1887–88 is worse than 1886–87, by Rx 43,000.
Expenditure charged on the Revenue of the Year.	71,074,000	77,266,000	76,021,000	77,443,000	
Surplus - -	—	—	60,000	17,000	
Deficit - -	383,000	2,802,000	—	—	
Actual Expenditure during the Year.	71,366,000	76,742,000	76,598,000	78,203,000	
Portion thereof spent by Provincial Governments from their Balances.	292,000	—	577,000	760,000	In 1884–85 the Provincial Governments spent, in addition to the income of the year, sums which had accumulated in their balances from the unspent income of former years; and a similar course is expected in 1886–87 and 1887–88. In 1885–86, on the other hand, the Provincial Governments spent less than their income.
Allotments to Provincial Governments unspent by them.	—	524,000	—	—	
	71,074,000	77,266,000	76,021,000	77,443,000	

STATEMENT showing the Principal Figures in the Indian Accounts for 1884–85 and 1885–86

REVENUE.	Accounts, 1884–85.	Accounts, 1885–86.	Revised Estimate, 1886–87.	Budget Estimate, 1887–88.	REMARKS.
PRINCIPAL HEADS OF REVENUE:	Rx	Rx	Rx	Rx	
Land Revenue - -	21,832,000	22,592,000	22,610,000	22,938,000	In 1884–85 the arrears from the previous year were less than usual, and there was a falling off, especially in Madras, owing to deficiency of rain in some districts and to floods in others. In 1886–87 also there is a diminution in Madras and Bombay owing to less arrears being received, but on the other hand, there is a sum of Rx 210,000 expected in Upper Burma. In 1887–88 the improvement is anticipated in Bombay and Upper Burma.
Opium - - - -	8,817,000	8,943,000	8,899,000	8,893,000	The number of chests sold monthly in Calcutta was reduced, in April 1884, from 4,450 to 3,800; but, in consequence of the increase of the reserve, it was raised to 4,166 in 1885, to 4,500 in 1886, and to 4,750 in 1887. The average price per chest was about 1,296 rupees in 1884–85, 1,235 rupees in 1885–86, and 1,123 rupees in 1886–87; and for 1887–88 it is estimated at an average of 1,100 rupees. The number of chests of Malwa opium paying duty was 39,039 in 1884–85, 37,677 in 1885–86, and is estimated at 39,192 in 1886–87, and 37,182 in 1887–88. The duty is 650 rupees a chest.
Salt - - -	6,507,000	6,345,000	6,539,000	6,605,000	The duty on salt is 2 rupees a maund throughout India (except in British Burma, where it is only 3 annas a maund, and the Trans-Indus districts, where also it is almost nominal). The sales of salt were unusually large in 1884–85. In 1885–86 it was necessary to check the manufacture at Sambhar owing to floods.
Stamps - - -	3,607,000	3,663,000	3,721,000	3,716,000	
Excise - - -	4,012,000	4,152,000	4,266,000	4,225,000	
Provincial Rates - -	2,791,000	2,960,000	2,943,000	2,957,000	The bulk of the rates being levied on the land, they are affected in much the same way as the land revenue.
Customs - - -	1,030,000	1,200,000	1,212,000	1,233,000	The small receipt in 1884–85 was mainly due to diminished exports of rice from Burma.
Assessed Taxes - -	512,000	503,000	1,348,000	1,406,000	On 1st April 1886, in lieu of the previously existing License Tax, an Income Tax of 5 pies in the rupee (equal to $6\frac{1}{4}d.$ in the £, or 2·6 per cent.) was imposed on incomes of or above 2,000 rupees a year; and a tax of 4 pies in the rupee (equal to 5*d.* in the £, or about 2 per cent.) on incomes below 2,000 rupees, and not less than 500 rupees a year, if derived from salaries, pensions, profits of companies, or interest on securities. Other incomes were assessed on a scale varying from $1\frac{1}{3}$ to $2\frac{2}{3}$ per cent. Incomes derived from agriculture, being already liable to pay the tax imposed on land in 1877–78, were exempted from this Income Tax.

and Estimates for 1886–87 and 1887–88, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1884–85.	Accounts, 1885–86.	Revised Estimate, 1886–87.	Budget Estimate, 1887–88.	REMARKS.
DIRECT DEMANDS ON THE REVENUE:	Rx	Rx	Rx	Rx	
Refunds and Drawbacks -	201,000	206,000	209,000	202,000	
Assignments and Compensations.	1,275,000	1,397,000	1,372,000	1,367,000	The increase of 1885–86 was due to the application of enhanced rates to alienated lands in Sind, and to special grants in connexion with the Goa subsidy.
CHARGES IN RESPECT OF COLLECTION:					
Land Revenue - -	3,363,000	3,414,000	3,516,000	3,669,000	In 1885–86, the increase occurs chiefly in the payments to district and village officers in the Central Provinces and the Punjab, and is in some degree nominal, being balanced by receipts. The estimates for 1886–87 and 1887–88 include Rx 50,000 and Rx 99,000 respectively, for the collection in Upper Burma. In the current year also the Madras Government has provided for the expenditure of over Rx 30,000 from provincial revenues on various administrative improvements.
Opium - -	2,967,000	3,058,000	2,785,000	2,506,000	The crops of 1884 and 1885 were unusually large, and that of 1885–86 was also heavier in the Benares agency than had been anticipated. The reserve is estimated at 36,700 chests on the 31st of December 1887.
Salt - - - -	449,000	402,000	483,000	469,000	The charge in 1885–86 was reduced by the temporary cessation of manufacture at Sambhar, and by the application of the excise system to a large number of factories in Madras. In Bombay the charges were increased, owing to the diversion of the Sambhar trade, but part of the expenditure was not defrayed till 1886–87.
Stamps - - -	141,000	148,000	148,000	178,000	The increase in 1887–88 is due to a large indent on England for stamps.
Excise - - -	104,000	124,000	118,000	119,000	
Provincial rates - -	51,000	47,000	47,000	47,000	
Customs - - -	137,000	131,000	133,000	135,000	
Assessed Taxes - -	13,000	12,000	53,000	34,000	The increase in 1886–87 arises from the new Income Tax Act. The reduction in 1887–88 occurs chiefly in Bengal, owing to the reduction of establishment and the abolition of the office of Commissioner.

STATEMENT showing the Principal Figures in the Indian Accounts for 1884–85 and 1885–86,

REVENUE.	Accounts, 1884–85	Accounts, 1885–86.	Revised Estimate, 1886–87.	Budget Estimate, 1887–88.	REMARKS.
PRINCIPAL HEADS OF REVENUE—*continued.*	Rx	Rx	Rx	Rx	
Forest - - -	987,000	1,086,000	1,139,000	1,131,000	The improvement in 1885–86 occurred chiefly in British Burma and Bombay. The increase in 1886–87 is chiefly in Upper Burma, the Punjab, and Madras, while in Bombay there is a falling-off. The reduction anticipated in 1887–88 is owing to the depression of the timber trade in Burma.
Registration - - -	287,000	308,000	298,000	303,000	The scale of fees in Madras was revised in May 1884, and facilities were afforded by the establishment of new offices.
Tributes from Native States	699,000	690,000	691,000	722,000	Some arrears were received in 1884–85. The increase in 1887–88 is on account of Upper Burma.
TOTAL - Rx	51,081,000	52,442,000	53,666,000	54,129,000	
INTEREST - -	711,000	699,000	683,000	687,000	In 1884–85 the receipts from the temporary investment of the cash balances in England were unusually large.
POST OFFICE, TELEGRAPH, AND MINT.					
Post Office - - -	1,047,000	1,113,000	1,166,000	1,216,000	The revenue is steadily increasing, as well as the expenditure.
Telegraph - - -	571,000	629,000	654,000	639,000	In 1885–86 the receipts in India were increased by revenue on messages from Burma and arrears due by railway companies, and there was increased traffic by the Indo-European route, consequent on a break-down on the Eastern Telegraph Company's line. In 1886–87 the increase is attributed to communication with Burma.
Mint - - ₹	180,000	224,000	157,000	170,000	The coinage of silver in 1885–86 was unusually large.
TOTAL - Rx	1,798,000	1,966,000	1,977,000	2,025,000	

and Estimates for 1886–87 and 1887–88, with Explanations—*continued*.

EXPENDITURE.	Accounts, 1884–85.	Accounts, 1885–86.	Revised Estimate, 1886–87.	Budget Estimate, 1887–88.	REMARKS.
DIRECT DEMANDS ON THE REVENUE—*continued.*					
CHARGES IN RESPECT OF COLLECTION—*continued.*	Rx	Rx	Rx	Rx	
Forest - - -	679,000	681,000	736,000	738,000	The increase in 1886–87 occurs chiefly in Madras and Bombay.
Registration - - -	179,000	185,000	185,000	187,000	
TOTAL - Rx	9,559,000	9,805,000	9,785,000	9,651,000	
INTEREST.					
Interest on Debt, other than that charged to Railways and Irrigation Works.	4,137,000	3,857,000	3,955,000	4,025,000	The payment in 1884–85 included discount amounting to Rx 184,000 on account of India 3 per cent. stock. In 1885–86 there was also a reduction arising from the capital outlay on Railways and Irrigation Works, the amount of debt equivalent to which is charged to those works, being in excess of the net amount of debt incurred, but this was to a great extent counterbalanced by the charge for exchange. The increase in 1886–87 was caused by the fall in exchange, the increased charge for which considerably exceeded the saving by transfer to Railway Revenue Account. In 1887–88 it is to be attributed mainly to the loan raised in India for the Port Trusts in the previous year.
Interest on other Obligations.	483,000	474,000	364,000	387,000	The reduction in 1886–87 arises mainly from the transfer of the Bengal and Madras Civil Funds to the Government, and the consequent discontinuance of interest on their assets. In 1887–88 the increase is for interest on savings bank deposits.
TOTAL - Rx	4,620,000	4,331,000	4,319,000	4,412,000	
POST OFFICE, TELEGRAPH, AND MINT.					
Post Office - -	1,271,000	1,303,000	1,350,000	1,365,000	
Telegraph - - -	788,000	873,000	728,000	811,000	The increase in 1885–86 occurred on capital account, and was due to the great extension of the lines in connexion with the new railways, and to the laying of a new cable in the Persian Gulf. In 1886–87 the demands from India for stores were smaller than usual.
Mint - -	86,000	117,000	80,000	86,000	The coinage in 1885–86 was unusually large.
TOTAL - Rx	2,145,000	2,293,000	2,158,000	2,262,000	

STATEMENT showing the Principal Figures in the Indian Accounts for 1884–85 and 1885–86,

REVENUE.	Accounts, 1884–85.	Accounts, 1885–86.	Revised Estimate, 1886–87.	Budget Estimate, 1887–88.	REMARKS.
CIVIL DEPARTMENTS:	Rx	Rx	Rx	Rx	
Law and Justice - -	546,000	578,000	604,000	591,000	The increase in 1885–86 arose from larger jail receipts in the North-West Provinces and Punjab, sales of jail produce in Bengal and Burma, and recoveries from Native States on account of convicts sent to Port Blair. In 1886–87 it is chiefly due to the inclusion of Upper Burma. In 1887–88 the reduction is anticipated mainly in the North-West Provinces and the Punjab.
Police - - -	320,000	321,000	322,000	324,000	
Marine - - -	166,000	200,000	170,000	173,000	In 1885–86 there were special receipts connected with the expedition to Suakin.
Education -	203,000	201,000	205,000	199,003	
Medical - -	53,000	54,000	59,000	56,000	
Scientific and other Minor Departments.	85,000	73,000	94,000	82,000	In 1885–86 the sale of mathematical instruments and stores was smaller than usual.
TOTAL - Rx	1,373,000	1,427,000	1,454,000	1,425,000	
MISCELLANEOUS:					

and Estimates for 1886–87 and 1887–88, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1884–85.	Accounts, 1885–86.	Revised Estimate, 1886–87.	Budget Estimate, 1887–88.	REMARKS.
CIVIL DEPARTMENTS:	Rx	Rx	Rx	Rx	
General Administration -	1,667,000	1,733,000	1,736,000	1,710,000	The increase in 1885–86 is mainly attributable to the cost of telegrams and currency notes, to the Rawal Pindi durbar, and to the fall in exchange. In 1886–87 the increase in Upper Burma and under exchange is met by reduction elsewhere.
Law and Justice - -	3,306,000	3,352,000	3,417,000	3,515,000	The increase in 1885-86 was mainly due to the appointment in the previous year of three new judges to the High Court at Calcutta, and of additional civil and sessions judges and establishments in Bengal, and to an enlargement of the judicial establishment and reorganisation of the Commission in the Punjab. In 1886–87 and 1887–88 the increase is chiefly due to the provision for courts of law and gaols in Burma.
Police - -	2,833,000	2,853,000	3,252,000	3,715,000	The increase in 1885–86 was chiefly in Burma, and for additional police at Quetta. In 1886–87 and 1887–88 it is caused almost entirely by the provision for Burma.
Marine - -	532,000	525,000	820,000	865,000	In 1886–87 the increase was mainly due to the operations in Upper Burma, and the steamers and launches provided for that province; but partly to the cost of the armament of the "Dalhousie" and "Lawrence," and to the fall in exchange. In 1887–88 provision is made for nine torpedo boats and two Nile steamers.
Education - - -	1,239,000	1,243,000	1,292,000	1,319,000	The increase in 1886–87 is chiefly in the Punjab and Bombay, and in 1887–88 in the latter presidency.
Ecclesiastical - -	166,000	164,000	161,000	172,000	
Medical - - -	744,000	747,000	756,000	803,000	The increase in 1887–88 is chiefly in Burma and the North-West Provinces.
Political - - -	799,000	1,151,000	751,000	681,000	Of the increase in 1885–86, Rx 200,000 is due to an additional grant to the Ameer of Cabul, Rx 49,000 to the Afghan Boundary Commission, and Rx 19,000 to the Rawal Pindi durbar; and there was also extra expenditure for the Thibet and Gilzit and Kashgar missions. In 1886–87 there were special payments on account of foreigners in the service of the ex-King of Burma.
Scientific and other Minor Departments.	457,000	476,000	463,000	450,000	The increase in 1885–86 occurred chiefly under the head of Public Exhibitions.
TOTAL - Rx	11,743,000	12,244,000	12,648,000	13,180,000	
MISCELLANEOUS:					
Territorial and Political Pensions.	671,000	653,000	660,000	676,000	The reduction in 1885–86 was due to the death of the Nawab Nazim and other pensioners. There was an increase in 1886–87 attributable to Upper Burma, but a portion of the pension of H.H. the Maharajah Dhuleep Singh was transferred from 1886–87 to 1887–88.
Civil Furlough Allowances.	261,000	262,000	262,000	303,000	Owing to a change in the date of payment, a portion of the charge falls into 1887–88 which otherwise would have been paid in 1886–87. In both these years the charge for exchange is enhanced.

STATEMENT showing the Principal Figures in the Indian Accounts for 1884–85 and 1885–86,

REVENUE.	Accounts, 1884–85.	Accounts, 1885–86.	Revised Estimate, 1886–87.	Budget Estimate, 1887–88.	REMARKS.
MISCELLANEOUS —*continued.*	Rx	Rx	Rx	Rx	
Superannuation - -	321,000	417,000	406,000	393,000	The increase in 1885–86 was mainly due to the transfer of the Bengal Civil Fund and India Office Provident Fund to the Government. In 1886–87 there were exceptional receipts on account of the Madras Civil and Military Funds.
Stationery and Printing -	48,000	56,000	98,000	97,000	The increase in 1886–87 is due to supplies of stationery forms to railways being paid for by cash under a new system.
Exchange - -	12,000	264,000	—	365,000	The entry under Exchange is the net result of the Government undertaking the duty of making remittances on various accounts at *specified* rates. The large receipts in 1885–86 and 1887–88 are consequent on the transactions with railway companies. In 1886–87 the gain on that account was more than counterbalanced by the charge involved in the repayment in England of the 4 per cent. Rupee Transfer Loan of 1854, at the rate of 2*s.* 1*d.* the sicca rupee.
Miscellaneous - -	343,000	341,000	335,000	322,000	
TOTAL - Rx	724,000	1,078,000	839,000	1,177,000	

and Estimates for 1886–87 and 1887–88, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1884–85.	Accounts, 1885–86.	Revised Estimate, 1886–87.	Budget Estimate, 1887–88.	REMARKS.
MISCELLANEOUS —*continued.*	Rx	Rx	Rx	Rx	
Superannuation - -	2,546,000	2,902,000	2,861,000	2,918,000	The increase in 1885–86 was partly due to the fall in exchange, and partly to the transfer of the Bengal and Madras civil funds to the Government. Of the increase of Rx 372,000 in 1887–88 over 1884–85, Rx 253,000 is due to exchange.
Stationery and Printing -	545,000	510,000	555,000	593,000	In 1885–86 there were smaller demands for stores from both Calcutta and Madras. In 1886–87 the total purchases in Bengal and Bombay, and the demands on England, were heavier. In 1887–88 the increase is caused by supplies for Upper Burma and other provinces, and larger indents from Bengal. In all three years the exchange is increased.
Exchange - -	—	—	48,000	—	*See* note on the Revenue side.
Miscellaneous - -	293,000	307,000	332,000	366,000	In 1885–86 an advance of 16,000*l.* made in Bombay to the late Khan Bahadur Murad Khan was written off as irrecoverable. In 1886–87 the increase is largely due to charges for conservancy and relief at Mandalay, and compensation for damage done by dacoits. In 1887–88 provision is made to meet outstanding charges against the late Government of Burma.
TOTAL - Rx	4,316,000	4,634,000	4,718,000	4,856,000	
FAMINE RELIEF AND INSURANCE:					
Famine Relief - -	7,000	41,000	1,000	2,000	The expenditure in 1885–86 was chiefly on the Hindupur Railway, undertaken in consequence of scarcity in Madras, and on relief works in Beerbhoom, Bankoora, and the Chittagong Hill Tracts.
Construction of Protective Railways.	946,000	589,000	200,000	—	In 1884–85 the outlay was mainly on the Rewari-Firozpur, Jhansi-Manickpur, Bellary-Kistna, and Cuddapah-Nellore Railways, certain sums unspent in former years being reallotted. In 1886–87 and 1887–88 the sums of Rx 152,000 and 228,000 respectively, being interest payable to the Indian Midland and Bengal-Nagpur Railway Companies, are charged under the Railway Revenue Account.
Construction of Protective Irrigation Works.	253,000	187,000	111,000	92,000	The outlay was chiefly on the Orissa Coast, Betwa, Swat River, Buckingham, Rushikulya, and Nira Canals, and the Mhasvad Tank.

STATEMENT showing the Principal Figures in the Indian Accounts for 1884–85 and 1885–86,

REVENUE.	Accounts. 1884–85.	Accounts, 1885–86.	Revised Estimate, 1886–87.	Budget Estimate, 1887–88.	REMARKS.
	Rx	Rx	Rx	Rx	
RAILWAYS:					
State Railways (Gross Earnings).	8,419,000	9,959,000	10,714,000	11,319,000	The receipts in 1885–86 were enhanced by improvements of Rx 393,000 on the East Indian Railway and Rx 265,000 on the Rajputana-Malwa (including the Rewari-Firozpur); there was also an increase of Rx 682,000 on the North-Western system (in which the Scinde, Punjab, and Delhi line was incorporated for the last three months of the year), Rx 70,000 on the Southern Mahratta, and Rx 130,000 on other railways, including Rx 54,000 on the Bengal Central Railway, which is now treated as a State line. In 1886–87 the improvements were Rx 49,000 on the Rajputana-Malwa, Rx 485,000 on the North-Western (which included the Scinde Railway for the whole year), Rx 80,000 on the Southern Mahratta, Rx 82,000 on the Eastern Bengal, Rx 51,000 on the Burma, and Rx 8,000 on other lines. In 1887–88 there is an increase of Rx 335,000 on the North-Western Railway, owing to the opening of some sections of the frontier system, Rx 117,000 on the Southern Mahratta, Rx 108,000 on new lines (Cuddapah, Bellary, Assam-Behar, Indian Midland, Katni-Umaria, and Lucknow-Sitapur), and Rx 45,000 on other railways.

and Estimates for 1886–87 and 1887–88, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1884–85.	Accounts, 1885–86.	Revised Estimate, 1886–87.	Budget Estimate, 1887–88.	REMARKS.
FAMINE RELIEF AND INSURANCE—*continued.*	Rx	Rx	Rx	Rx	
Reduction of Debt -	342,000	683,000	—	—	The amount placed at the disposal of the Commission for Reduction of Debt was the balance necessary to bring up the total grant for famine relief and insurance to the fixed amount of Rx 1,500,000 a year. In recent years this balance has been almost entirely taken in reduction of the usual loan needed to supply funds for Railways and Irrigation Works.
TOTAL - Rx	1,548,000	1,500,000	312,000	94,000	In 1886–87 and 1887–88 the reduction is due to the inability of the Government to make the usual grant, without imposing fresh taxation for the purpose.
CONSTRUCTION OF RAILWAYS (charged against Revenue in addition to that under Famine Insurance).	264,000	632,000	188,000	75,000	The charges are mainly for frontier railways (the greater part of the expenditure on which lines, however, has not been charged against revenue), and for the Lucknow-Sitapur-Kheri line.
RAILWAY REVENUE ACCOUNT:					
State Railways: Working Expenses.	4,213,000	4,902,000	5,278,000	5,331,000	In 1885–86 there was an increase of Rx 53,000 on the East Indian Railway, Rx 105,000 on the Rajputana (including Rewari - Firozpur), and Rx 97,000 on the Eastern Bengal line; of Rx 40,000 on the Burma, Rx 48,000 on the Southern Mahratta, Rx 234,000 on the North-Western (including the Scinde, Punjab, and Delhi Railway after its purchase), Rx 55,000 on the Bengal Central line, now brought under this head; and Rx 57,000 on other railways. In 1886–87 there was an increase of Rx 458,000 on the North-Western system (owing mainly to the Scinde line being included among State railways for the whole of the year), and of Rx 46,000 on the Southern Mahratta; while there was a decrease of Rx 112,000 on the East Indian, and of Rx 16,000 on other railways. In 1887–88 an increase of Rx 380,000 is anticipated on the North-Western system, owing to the opening of new sections, of Rx 81,000 on other new lines, of Rx 70,000 on the East Indian, and of Rx 22,000 on other lines previously open.
State Railways: Interest on Debt.	2,397,000	2,663,000	3,192,000	3,319,000	
State Railways: Annuities in purchase of Railways.	1,517,000	1,741,000	2,309,000	2,308,000	The Eastern Bengal Railway was purchased by the Government on the 30th of June 1884, and the Scinde, Punjab, and Delhi Railway on the 1st of January 1886.
State Railways: Interest on Capital deposited by Companies.	118,000	258,000	473,000	585,000	The figures for 1884–85 refer only to the Southern Mahratta Company; in 1885–86 and 1886–87 the Indian Midland and Bengal Central are also included, and in 1887–88 the Bengal-Nagpur Railway is added.

STATEMENT showing the Principal Figures in the Indian Accounts for 1884–85 and 1885–86,

REVENUE.	Accounts, 1884–85.	Accounts, 1885–86.	Revised Estimate, 1886–87.	Budget Estimate, 1887–88.	REMARKS.
RAILWAYS—*continued.*	Rx	Rx	Rx	Rx	
Guaranteed Companies (Net Traffic Receipts).	3,478,000	3,725,000	3,553,000	3,515,000	In 1885–86 the Scinde Railway was included for only nine months, and a reduction of Rx 467,000 was caused in 1886–87 by the transfer of this line to State railways. In 1885–86 there was an increase of Rx 69,000 on the Great Indian Peninsula, and of Rx 103,000 on the Bombay and Baroda line. In 1886–87 the receipts of the Great Indian Peninsula Railway were increased by Rx 236,000; but in 1887–88 the Budget anticipates a reduction of Rx 120,000 on this line.
Subsidized Companies (repayment of Advances of Interest).	1,000	—	—	59,000	
TOTAL - Rx	11,898,000	13,684,000	14,267,000	14,893,000	
IRRIGATION:					
Major Works: Direct Receipts.	1,075,000	865,000	891,000	959,000	The large receipts of 1884–85 were not maintained in the following year; a diminution of Rx 78,000 occurred on the Western Jumna Canal, where heavy rain made irrigation unnecessary, and the failure of the Nadrai Aqueduct also led to a reduction in the North-West Provinces, the receipts of the Ganges Canal being reduced by Rx 97,000, of the Lower Ganges by Rx 34,000, and of the Agra by Rx 32,000; those on the Bengal canals were, however, better. The improvement in 1886–87 and 1887–88 is anticipated on the Punjab chiefly.
Major Works: Portion of Land Revenue due to Irrigation.	466,000	562,000	558,000	577,000	In 1884–85 large remissions were made in the Cauvery Delta, owing to heavy floods. The increase in 1885–86 and 1887–88 is mainly due to the delta works in Madras.
Minor Works and Navigation.	135,000	161,000	146,000	152,000	
TOTAL - Rx	1,676,000	1,588,000	1,595,000	1,688,000	

and Estimates for 1886–87 and 1887–88, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1884–85.	Accounts, 1885–86.	Revised Estimate, 1886–87.	Budget Estimate, 1886–87.	REMARKS.
RAILWAY REVENUE ACCOUNT—*continued.*	Rx	Rx	Rx	Rx	
Guaranteed Companies: Surplus Profits, Land, &c.	493,000	477,000	607,000	573,000	The moiety of surplus profits payable to the Companies appears as follows in the accounts and estimates :
Guaranteed Companies: Interest.	4,029,000	4,232,000	3,722,000	3,732,000	The reduction in 1886–87 is due to the removal of the Scinde, Punjab, and Delhi Railway from this head.
Subsidized Companies: Land, &c.	40,000	44,000	48,000	60,000	This is compensation for land taken up for the Bengal and North-Western, Bengal Central, Rohilkund-Kumaon, Tarkessur, and Nilgiri Railway Companies, and subsidy to the Rohilkund-Kumaon and Dibru-Sadiya Companies.
Subsidized Companies: Advances of Interest.	45,000	—	—	—	Advances of interest to the Bengal Central and Rohilkund-Kumaon Companies.
Miscellaneous Expenditure.	97,000	99,000	96,000	74,000	Chiefly for surveys.
TOTAL - Rx	12,949,000	14,416,000	15,725,000	16,482,000	
IRRIGATION:					
Major Works: Working Expenses.	572,000	593,000	643,000	646,000	The increase in 1885–86 arises mainly from repairs on the Godaveri Delta Works, and the opening of new canals in the Punjab.
Major Works: Interest on Debt.	932,000	965,000	994,000	1,025,000	In 1885–86 the practice was introduced of charging against the works interest on capital outlay provided from revenue as well as on that from borrowed money.
Minor Works and Navigation.	745,000	746,000	759,000	770,000	
TOTAL - Rx	2,249,000	2,304,000	2,396,000	2,441,000	

	1884–85.	1885–86.	1886–87.	1887–88.
	Rx	Rx	Rx	Rx
Eastern Bengal	26,000	—	—	—
Bombay and Baroda	146,000	116,000	177,000	168,000
Great Indian Peninsula	259,000	281,000	345,000	340,000
Scinde, Punjab, and Delhi	—	—	13,000	—
Rx	431,000	397,000	535,000	508,000

STATEMENT showing the Principal Figures in the Indian Accounts for 1884–85 and 1885–86,

REVENUE.	Accounts, 1884–85.	Accounts, 1885–86.	Revised Estimate, 1886–87.	Budget Estimate, 1887–88.	REMARKS.
BUILDINGS AND ROADS :	Rx	Rx	Rx	Rx	
Military Works - -	40,000	41,000	189,000	36,000	The receipts are usually derived from the rents of buildings and sale of old materials. In 1886–87 Rx 150,000 is included as compensation from Maharaja Sindia, for the cantonment buildings at Morar.
Civil Works - -	575,000	575,000	502,000	503,000	The receipts are mostly derived from rents, sale of stores, proceeds of workshops, tolls, and ferries. In both 1884–85 and 1885–86 there were exceptional receipts from the sale of buildings.
TOTAL - Rx	615,000	616,000	691,000	539,000	
ARMY SERVICES :					
Army : Effective - -	768,000	913,000	862,000	842,000	In 1885–86 there were receipts in connexion with the issue of ordnance stores to the Hyderabad Contingent and Native States, the Quetta Force, and the Burma Expedition.

and Estimates for 1886–87 and 1887–88, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1884–85.	Accounts, 1885–86.	Revised Estimate, 1886–87.	Budget Estimate, 1887–88.	REMARKS.
BUILDINGS AND ROADS:	Rx	Rx	Rx	Rx	
Military Works - -	950,000	969,000	1,130,000	1,301,000	An average sum of 1,000,000*l.* a year is granted for the construction and repair of military works throughout India, but in 1884–85 and 1885–86 the whole was not spent. In 1886–87 there was a special provision of Rx 150,000, for accommodation rendered necessary by the increase of the Army and the operations in Burma. In 1887–88 an extra grant of Rx 300,000 was made for military works and roads in Upper Burma.
Civil Works -	4,059,000	3,516,000	4,211,000	4,252,000	The reduction in 1885–86 was caused by the restriction of civil expenditure, owing to the military preparations. In 1886–87, Rx 200,000 is included for frontier roads, and Rx 145,000 for civil works in Upper Burma. In 1887–88 similar grants are made of Rx 210,000 for frontier roads, and Rx 156,000 for Upper Burma.
TOTAL - Rx	5,009,000	4,485,000	5,341,000	5,553,000	
ARMY SERVICES:					
Army : Effective - -	13,208,000	17,039,000	15,701,000	15,730,000	In consequence of the determination to pay the British Troops, after the 1st of January 1884, at the rate of exchange fixed annually by the Treasury for the payment of troops in the Colonies, an additional charge of Rx 46,000 was incurred in 1883–84, of Rx 138,300 in 1884–85, of Rx 40,000 in 1885–86, of Rx 51,500 in 1886–87, and of Rx 161,100 in 1887–88, owing to the continued fall in the gold price of silver. In 1884–85 the Zhob Valley Expedition cost Rx 56,000, and the Quetta Field Force Rx 103,000. In 1885–86 the Quetta Force cost Rx 2,185,000; the Burma Expedition, Rx 631,000; and there was also additional expenditure owing to the increase of the British and Native Armies, the Rawal Pindi durbar, and the Camp of Exercise at Delhi, and in the purchase of remounts; and exchange was heavier by Rx 196,000. In 1886–87 there is included Rx 1,160,000 for Burma, and expenditure was also incurred in raising two additional Goorkha battalions, and providing for an increase of the medical strength; but savings were effected in other directions. In the Estimate for 1887–88 the expenditure in Burma is reduced by Rx 440,000, but there is an increase of Rx 376,000 owing to the increased strength of the Army and other causes in India, and of 94,000*l.* in England, caused by supply of additional stores, and the fall in exchange.

STATEMENT showing the Principal Figures in the Indian Accounts for 1884–85 and 1885–86,

REVENUE.	Accounts, 1884–85.	Accounts, 1885–86.	Revised Estimate, 1886–87.	Budget Estimate, 1887–88.	REMARKS.
ARMY SERVICES—*continued.*	Rx	Rx	Rx	Rx	
Army: Non-effective	47,000	51,000	47,000	55,000	
TOTAL Rx	815,000	964,000	909,000	897,000	
TOTAL REVENUE Rx	70,691,000	74,464,000	76,081,000	77,460,000	

and Estimates for 1886-87 and 1887-88, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1884-85.	Accounts, 1885-86.	Revised Estimate, 1886-87.	Budget Estimate, 1887-88.	REMARKS.
ARMY SERVICES—*continued.*	Rx	Rx	Rx	Rx	
Non-effective Army : -	3,756,000	3,059,000	3,307,000	3,467,000	From the 1st of April 1884, the system of paying the capitalized value of the share of India in each pension when granted was abandoned, and the charge borne by India during the year was henceforward to be her portion of each pension according to actuarial tables of life. The result was a decrease of 705,000*l.* at first, but the amount will gradually rise again for 10 or 12 years. In 1886-87 there was an increase of Rx 135,000 for exchange, and in 1887-88 a further increase of Rx 36,000.
TOTAL - Rx	16,964,000	20,098,000	19,008,000	19,197,000	
TOTAL EXPENDITURE, Imperial and Provincial - -	71,366,000	76,742,000	76,598,000	78,203,000	
PROVINCIAL ADJUSTMENTS :					
Deficits : Expenditure by Provincial Governments from their balances.	— 292,000	—	— 577,000	— 760,000	In 1884-85 and 1886-87 the Provincial Governments spent, besides the whole of their annual allotments, sums which had accumulated in their balances from the savings of previous years; and a similar course is expected in 1887-88. In 1886-87 also a special contribution of Rx 400,000 was made from the Provincial Balances in aid of the Imperial Government. In 1885-86, on the other hand, the Provincial Governments spent less than their income. Of the net amount of Rx 1,105,000 so spent in the four years, the Government of the North-West Provinces and Oudh will have expended Rx 571,000; Burma, Rx 116,000; Bengal, Rx 107,000; Bombay, Rx 31,000; Assam, Rx 98,000; the Punjab, Rx 97,000; and the Central Provinces, Rx 187,000, while the balance of Madras is estimated to be higher by Rx 101,000, and India General by Rx 1,000.
Surpluses : Allotments to Provincial Governments unspent by them.	—	524,000	—	—	
TOTAL EXPENDITURE charged against the Revenue of the Year } Rx	71,074,000	77,266,000	76,021,000	77,443,000	

STATEMENT showing the Principal Figures in the Indian Accounts for 1884-85 and 1885-86,

REVENUE.	Accounts, 1884-85.	Accounts, 1885-86.	Revised Estimate, 1886-87.	Budget Estimate, 1887-88.	REMARKS.
	Rx	Rx	Rx	Rx	

and Estimates for 1886–87 and 1887–88, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1884–85.	Accounts, 1885–86.	Revised Estimate, 1886–87.	Budget Estimate, 1887–88.	REMARKS.
EXPENDITURE NOT CHARGED TO REVENUE:					
Capital Outlay on Railways and Irrigation Works:	Rx	Rx	Rx	Rx	
State Railways -	3,526,000	4,713,000	5,146,000	4,294,000	The total outlay on the construction of State Railways during these four years, is as follows:—

	1884–85.	1885–86.	Revised Estimate, 1886–87.	Budget Estimate, 1887–88.
	Rx	Rx	Rx	Rx
From Borrowed Money -	3,526,000	4,713,000	5,171,000	4,294,000
From Revenue - -	1,210,000	1,221,000	388,000	75,000
TOTAL - - Rx	4,736,000	5,934,000	5,559,000	4,369,000
DISTRIBUTION.				
East Indian - -	279,000	247,000	150,000	105,000
Rajputana-Malwa - -	169,000	130,000	75,000	78,000
Rewari-Firozpur - -	294,000	44,000	5,000	8,000
Nagpur-Chhattisgarh -	70,000	45,000	68,000	—
Nagpur-Bengal - -	78,000	55,000	7,000	—
Burma - - -	305,000	169,000	9,000	21,000
Toungboo-Mandalay -	—	—	232,000	1,095,000
Northern Bengal - -	80,000	29,000	6,000	40,000
Katni-Umaria - -	96,000	293,000	84,000	*—1,000*
Eastern Bengal - -	186,000	238,000	177,000	197,000
Tirhoot - - -	106,000	*—49,000*	18,000	21,000
Assam-Behar - - -	280,000	434,000	240,000	193,000
Dacca - - -	215,000	112,000	34,000	2,000
Cawnpore-Achneyra -	102,000	79,000	*—19,000*	5,000
North-Western - -	303,000	374,000	465,000	529,000
Amritsar-Pathankot -	88,000	1,000	4,000	—
Sindh-Sagar - -	39,000	763,000	1,119,000	409,000
Ferozepore (Sutlej) Bridge.	25,000	164,000	276,000	101,000
Sindh-Pishin - - -	696,000	1,745,000	2,015,000	536,000
Bolan - - - -	—	252,000	35,000	28,000
Kandahar Reserve Material.	—	230,000	120,000	56,000
Lucknow-Sitapur-Kheri -	39,000	100,000	167,000	58,000
Cuddapah-Nellore -	151,000	159,000	206,000	53,000
Bellary-Kistna - -	375,000	409,000	327,000	472,000
Bezwada to Hyderabad Frontier.	—	—	1,000	140,000
Cawnpore-Kalpi-Jhansi -	156,000	*—156,000*	—	—
Jhansi-Manikpur - -	196,000	*—314,000*	—	—
Other Lines - - -	184,000	108,000	102,000	64,000
Stores and Reserve -	224,000	333,000	*—864,000*	159,000
TOTAL - - Rx	4,736,000	5,934,000	5,559,000	4,369,000

Irrigation Works	700,000	562,000	629,000	700,000	The principal outlay was on the Orissa, Son, Lower Ganges, Western Jumna, and Sirhind Canals, the Sangam System, the Godaveri and Kistna Delta Works, the Chenab Canal, and the Eastern Nara Works.
TOTAL - Rx	4,226,000	5,275,000	5,775,000	4,994,000	
Special Defence Works - Rx	—	—	295,000	475,000	Coast and Land Defences.
Capital Charge involved in Redemption of Liabilities:	£	£	£	£	
East Indian Railway.	342,000	545,000	3,000	—	Capital charge involved in redemption of Annuity and Debenture Stock.
Eastern Bengal Railway.	973,000	541,000	—	—	Capital charge in connexion with the purchase of the Undertaking and discharge of Debenture Debt.
Scinde, Punjab, and Delhi Railway.	—	—	4,912,000	—	Capital charge in connexion with the purchase of the Undertaking.
TOTAL -	5,541,000	6,361,000	10,985,000	5,469,000	

NET REVENUE AND EXPENDITURE.

NET REVENUE.

Gross Revenue, deducting Refunds and Drawbacks, and Charges of Collection.	Accounts, 1884–85.	Accounts, 1885–86.	Revised Estimate, 1886–87.	Budget Estimate, 1887–88.
	Rx	Rx	Rx	Rx
Land Revenue	18,420,000	19,130,000	19,057,000	19,224,000
Opium	5,849,000	5,885,000	6,114,000	6,387,000
Salt	6,027,000	5,916,000	6,026,000	6,107,000
Stamps	3,420,000	3,470,000	3,525,000	3,493,000
Excise	3,882,000	4,002,000	4,119,000	4,082,000
Provincial Rates	2,735,000	2,908,000	2,891,000	2,906,000
Customs	868,000	1,037,000	1,048,000	1,067,000
Assessed Taxes	484,000	473,000	1,271,000	1,352,000
Forest	305,000	402,000	400,000	391,000
Registration	107,000	122,000	111,000	115,000
Tributes from Native States	699,000	689,000	691,000	722,000
	42,796,000	44,034,000	45,253,000	45,846,000
Deduct: Assignments and Compensations	1,275,000	1,397,000	1,373,000	1,368,000
Net Revenue Rx	41,521,000	42,637,000	43,880,000	44,478,000

NET EXPENDITURE.

Gross Expenditure, deducting Receipts.	Accounts, 1884–85.	Accounts, 1885–86.	Revised Estimate, 1886–87.	Budget Estimate, 1887–88.
	Rx	Rx	Rx	Rx
Interest	3,909,000	3,632,000	3,636,000	3,726,000
Post Office, Telegraph, and Mint	347,000	327,000	181,000	236,000
Civil Departments	10,370,000	10,816,000	11,194,000	11,754,000
Miscellaneous Civil Charges	3,592,000	3,557,000	3,879,000	3,679,000
Famine Relief and Insurance	1,548,000	1,500,000	312,000	95,000
Construction of Railways (charged against Revenue, in addition to that under Famine Insurance).	264,000	632,000	188,000	75,000
Railway Revenue Account	1,051,000	732,000	1,458,000	1,589,000
Irrigation	573,000	715,000	801,000	753,000
Buildings and Roads	4,394,000	3,870,000	4,650,000	5,014,000
Army Services	16,149,000	19,134,000	18,098,000	18,300,000
	42,197,000	44,915,000	44,397,000	45,221,000
Provincial Adjustments	*−292,000*	*524,000*	*−577,000*	*−760,000*
Net Expenditure Rx	41,905,000	45,439,000	43,820,000	44,461,000
Surplus (+), or Deficit (−) Rx	*−384,000*	*−2,802,000*	+60,000	+17,000

India Office,
22nd July 1887.

HENRY WATERFIELD,
Financial Secretary.

EAST INDIA (HOME ACCOUNTS).

HOME ACCOUNTS

OF THE

GOVERNMENT OF INDIA.

(Presented pursuant to the Act 21 & 22 Vict. c. 106.)

Ordered, by The House of Commons, *to be Printed,* 14 *May* 1888.

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INDIA OFFICE

LIST.

1886-87.

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1887-88.

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India Office,
11 May 1888.

J. A. GODLEY,
Under Secretary of State for India.

No. 1.

ACCOUNT of the RECEIPTS and DISBURSEMENTS of the HOME TREASURY

RECEIPTS.

	£. s. d.	£. s. d.	£. s. d.
Balance on the 1st April 1886			4,726,585 7 4
REVENUE:			
INTEREST:			
Interest realised from investment of Cash Balance	41,148 7 7		
Interest on India Debt, remaining unclaimed for 10 years, repaid by the Bank of England and Bank of Ireland	203 9 3		
		41,351 16 10	
TELEGRAPH:			
Indo-European Telegraph		*9,558 6 7	
MINT:			
Proceeds of sales of Indian Coins sent to this country for assay		60 5 4	
MEDICAL:			
Royal India Lunatic Asylum, Ealing:	£. s. d.		
Pay, Pensions, &c. of Inmates, appropriated to their Maintenance	2,254 2 3		
Sale of Farm Produce, &c.	103 12 2		
	2,357 14 5		
On account of the Maintenance of two Lunatics in Broadmoor Asylum	129 15 11		
		2,487 10 4	
SCIENTIFIC AND OTHER MINOR DEPARTMENTS:			
Sale Proceeds of Books, Maps, &c.		599 14 1	
RECEIPTS IN AID OF SUPERANNUATION ALLOWANCES AND PENSIONS:			
	£. s. d.		
Subscriptions, &c., to the Widows' Funds of the Home Establishment of the East India Company	9,421 1 –		
Subscriptions in respect of the India Office Provident Fund	1,877 14 4		
Subscriptions in respect of the Indian Civil, Military, and Medical Funds, and the Indian Navy Fund:			
Bengal Civil Service Annuity Fund	1,539 19 9		
Bengal Civil Fund	689 5 6		
Madras - ditto	2,144 5 –		
Bombay Civil Fund: Provident Branch	854 13 11		
Bengal Military Orphan Society	23,591 10 9		
Bengal Military Fund	33,886 5 10		
Madras - ditto	16,516 8 3		
Bombay - ditto	10,820 13 9		
Madras Medical Fund	116 6 5		
Bombay Medical Retiring Fund	12 3 6		
Indian Navy Fund	1,222 8 10		
	91,394 1 6		
Subscriptions towards Indian Civil Service Family Pensions	76 1 4		
		102,768 18 2	
Carried forward £.		156,826 11 4	4,726,585 7 4

* This sum is the balance of receipts and payments in England in respect of messages conveyed, the total receipts on this account having been reduced by payments to the Eastern Telegraph Company and the Indo-European Telegraph Company, amounting to 7,326 *l.* 15 *s.* 6 *d.*, due to them under the Common Purse arrangement.

No. 1.

of the GOVERNMENT of *India*, from 1st April 1886 to 31st March 1887.

DISBURSEMENTS.

EXPENDITURE:

	£. s. d.	£. s. d.
LAND REVENUE:		
Stores for India: For use in the Revenue Survey	- - -	1,094 4 -
OPIUM:		
Stores for India: For the Behar and Benares Opium Agencies	- - -	1,854 1 10
SALT:		
Stores for India: For the Salt Department, Madras	- - -	6 14 6
STAMPS:		
Stores for India	- - -	44,470 3 7
EXCISE:		
Stores for India: Hydrometers, &c.	- - -	160 13 11
FOREST:		
Allowances to successful Candidates for the Indian Forest Department; Passages to India on appointment; Fees to Professors for Instruction, &c.	2,435 17 7	
Stores for India	- 10 4	
		2,436 7 11

INTEREST ON DEBT (EXCLUDING THAT CHARGED ON PAGE 13, TO RAILWAYS):	£. s. d.		
Interest on Loans contracted in England:†			
India 4 per Cent. Stock	1,936,576 4 10		
India 3½ per Cent. Stock	125,797 19 4		
India 3 per Cent. Stock	329,992 14 4		
India 5 per Cent. Stock (accrued prior to 5th July 1880)	9 16 8		
India Debentures	175,000 - -		
		2,567,376 15 2	
Interest on the Indian Transfer Loan of 22nd April 1854		22,405 12 5	
		2,589,782 7 7	
Discount Sinking Fund, in redemption of Debt incurred in excess of Money raised:			
Investment in 7,079 *l.* 14 *s.* 11 *d.* India 4 per Cent. Stock of the Sum applicable to this purpose		7,192 2 2	
			2,596,974 9 9
INTEREST ON OTHER OBLIGATIONS:			
Interest on Deposits in Regimental Savings Banks of men returned from India		- - -	218 4 9
POST OFFICE:			
Payments under the Postal arrangement with the Lords of Her Majesty's Treasury		68,000 - -	
Stores for India		49,125 4 11	
			117,125 4 11
		Carried forward £.	2,764,340 5 2

† Total Interest on Loans contracted in England:—

	£. s. d.
India 4 per Cent. Stock	2,133,200 3 11
India 3½ per Cent. Stock	401,021 18 10
India 3 per Cent. Stock	337,449 3 1
India 5 per Cent. Stock (prior to 5th July 1880)	9 16 8
India Debentures	175,000 - -
East Indian Railway Debenture Stock	64,604 5 -
Eastern Bengal Railway Debentures and Debenture Stock	22,140 7 10
£.	3,133,425 15 4

Charged in the Account as follows:—

	£. s. d.
Under Interest on Ordinary Debt (as above	2,567,376 15 2
Under Railway Revenue Account (page 13): State Railways—Interest on Debt	566,049 - 2
£.	3,133,425 15 4

No. 1.—Account of the Receipts and Disbursements of the Home Treasury

		£. s. d.	£. s. d.
Brought forward - - -	- - -	156,826 11 4	4,726,585 7 4
RECEIPTS—*continued.*			
REVENUE—*continued.*			
MISCELLANEOUS:	£. s. d.		
From the Commissioners of Income Tax: Allowance in respect of the assessments of Income Tax made at the India Office - - - - - - - - - -	744 15 –		
Miscellaneous Fees, &c. - - - - - - -	1,329 19 8		
Sale Proceeds of Waste Paper and receipts on sundry Accounts - - - - - - - - - -	179 5 6		
	2,254 – 2		
Miscellaneous Receipts connected with the Supply of Stores to India:			
Recoveries in respect of Marine Insurance - - - - - -	£. s. d. 4,000 – –		
Recoveries on account of detention of Lighters, &c. - - - -	54 4 3		
Sale Proceeds of Sawdust, and Miscellaneous Recoveries - -	53 17 –		
Repayment of Expenses incurred in the inspection of Malt Liquor on behalf of the Imperial Government - - - - -	163 9 3		
Rent of Wharf adjoining the India Store Depôt, and the proportion of Rates and Taxes chargeable thereon - - - - - -	347 18 –		
	4,619 8 6		
		6,873 8 8	
RAILWAYS:			
STATE RAILWAYS:			
East Indian Railway: Rent of Premises occupied by the Company -		230 – –	
BUILDINGS AND ROADS:			
CIVIL WORKS AND MISCELLANEOUS SERVICES:			
Royal Indian Engineering College:	£. s. d.		
Fees and Caution Money received from Students -	21,193 16 1		
Sale of Provisions, Farm Produce, &c. - -	1,087 9 5		
		22,281 5 6	
Carried forward - - - £.		186,211 5 6	4,726,585 7

of the Government of *India*, from 1st April 1886 to 31st March 1887—*continued.*

	£. s. d.	£. s. d.
Brought forward		2,764,340 5 2
DISBURSEMENTS—*continued.*		
EXPENDITURE—*continued.*		
TELEGRAPH:		
Indo-European Telegraph	17,313 1 9	
Red Sea and India Telegraph: Moiety of Annuity (terminating in 1908) payable to Shareholders of the late Red Sea and India Telegraph Company, under Act 25 & 26 Vict. c. 39	18,027 - -	
Indian Telegraph Department:		
Absentee Allowances	6,056 4 8	
Passages to India of Officers of the Department on appointment, and Share of Expenses of International Telegraph Office at Berne	152 2 6	
	41,548 8 11	
Telegraph Lines in India—Stores for India	70,222 6 8	
		111,770 15 7
MINT:		
Pay and Passage to India of an Officer appointed to the Calcutta Mint	88 - 5	
Stores for India	6,598 6 3	
		6,686 6 8
GENERAL ADMINISTRATION:		
England:	£. s. d.	
Salaries of the Secretary of State, Under Secretaries of State, Members of the Council of India, Secretaries and Officers of the Secretary of State for India in Council, Assistant Military Secretary to His Royal Highness the Commander in Chief and Clerk, Consulting Officer for the Indian Troop Service, two Members of the London Medical Board, &c.	137,782 9 5	
Auditor and Assistants, under Act 21 & 22 Vict. c. 106, s. 52	6,123 15 4	
Store Department: Wages of Artificers and Labourers, Commission of Professional Inspectors, Travelling Expenses, Ground Rent of Premises, Rates and Taxes, Repairs, Supplies, &c.	24,319 16 3	
Law Charges	122 1 3	
Bank of England and Bank of Ireland for Management of Debt	35,932 - 7	
Postage of Despatches to and from India	4,205 13 8	
Telegrams to India	7,901 9 1	
Office Contingencies: Rates, Taxes, Coals, Gas, Candles, Furniture and Repairs, Books, Newspapers, Advertisements, Stamps, Inland Postage and Telegrams, Messengers' Uniforms, and various petty Charges	11,794 10 11	
	228,181 16 6	
India:		
Passage and Outfit Allowance of the Governor of Madras and of a Member of the Council of the Governor General	2,300 - -	
Deputation Allowance of an Officer from India as Member of the Royal Commission on Gold and Silver Currency	957 11 1	
Expenses connected with the deputation to India of a Member of the Indian Public Service Commission	600 8 -	
Charges in connection with the restoration in this country of Pictures sent from Government House, Calcutta	282 11 10	
Expenses incurred in the codification of the Law of Torts	105 - -	
Books and Newspapers supplied to India, not invoiced as Stores	164 16 11	
	4,410 7 10	
	232,592 4 4	
Stores for India: Currency Notes, &c.	15,655 10 11	
		248,247 15 3
Carried forward	£.	3,131,045 2 8

No. 1.—Account of the Receipts and Disbursements of the Home Treasury

	£. s. d.	£. s. d.	£. s. d.
Brought forward - - -	- - -	186,211 5 6	4,726,585 7 4
RECEIPTS—*continued.*			
REVENUE—*continued.*			
ARMY:			
Effective.			
Value of Clothing, Accoutrements, &c., in possession of Regiments on their transfer from the Indian to the British Establishment; and Proceeds of Sales of unserviceable Military Stores, &c.:			
Clothing and Necessaries - -	9,798 18 3		
Ordnance and Miscellaneous -	2,552 16 1		
	12,351 14 4		
Indian Troop Service: Receipts from the Admiralty, Recoveries on account of Messing, &c. - - -	34,607 4 4		
Passage of Officers and Troops: Recoveries on account of Messing - - - - - - - - - -	202 11 —		
	47,161 9 8		
Non-Effective.			
Subscriptions towards Indian Military Service Family Pensions - - - - - - - - -	4,278 1 8		
		51,439 11 4	
Carried forward - - - £.		237,650 16 10	4,726,585 7 4

of the Government of *India*, from 1st April 1886 to 31st March 1887—*continued.*

	£. s. d.	£. s. d.
Brought forward - - -	- - -	3,131,045 2 8
DISBURSEMENTS—*continued.*		
EXPENDITURE—*continued.*		
LAW AND JUSTICE:		
Passage and Outfit Allowance of the Chief Justice of the High Court of the North Western Provinces - - - -	800 - -	
Salary of Privy Council Reporter under the arrangement made by the Government of India for the publication of Law Reports - - - - - - - - - -	112 10 -	
	912 10 -	
Stores for India: Reports of Indian Appeal Cases for 1886, &c.	154 5 8	1,066 15 8
MARINE:		
Contribution towards the Expenses of Her Majesty's Ships employed in the Indian Seas - - - - - - -	70,000 - -	
Pay and Passages of Naval Officers, of Leadsman Apprentices in the Bengal Pilot Service, &c. - - - - - -	994 1 4	
Expenses incurred in connection with the despatch to India of the new Indian Government Steamers "Lawrence," "Dalhousie," "Muzbee," and "Tamil" - - - -	3,549 12 4	
	74,543 13 8	
Stores for India (including 79,927 *l.* – *s.* 10 *d.* on account of the cost of the above-mentioned Steamers) - - - -	155,958 2 10	230,501 16 6
EDUCATION:		
Passage to India of Educational Officers on appointment -	262 8 -	
Scholarships to enable Natives of India to pursue their Education in this country - - - - - - - -	177 7 11	439 15 11
ECCLESIASTICAL:		
Passage to India of Chaplains on appointment - - -	- - -	300 - -
MEDICAL:		
Royal India Lunatic Asylum, Ealing: Salaries and Allowances of the Staff, Board and Clothing of the Lunatics, and other Expenses - - - - - - - - - -	6,780 13 4	
Maintenance of Lunatics elsewhere than in the Royal India Lunatic Asylum - - - - - - - - -	388 12 11	7,169 6 3
POLITICAL:		
Mission to the Court of Persia - - - - - -	10,000 - -	
Her Majesty's Establishments in China - - - - -	15,000 - -	
Expenses in connection with the Afghan Boundary Commission	707 7 4	
Contribution towards the Expenses of the Jeddah Consulate, Deputation Allowance of an Officer on special duty, &c. -	885 - 3	
	26,592 7 7	
Stores for India: Presentation Articles, &c. - - - - -	3,232 2 9	29,824 10 4
Carried forward - - - £.		3,400,347 7 4

No. 1.—ACCOUNT of the Receipts and Disbursements of the Home Treasury

	£.	s.	d.	£.	s.	d.
Brought forward - - -	237,650	16	10	4,726,585	7	4
RECEIPTS—*continued.*						
Carried forward - - - £.	237,650	16	10	4,726,585	7	4

of the Government of *India*, from 1st April 1886 to 31st March 1887—*continued.*

	£. s. d.	£. s. d.
Brought forward - - -	- - -	3,400,347 7 4
DISBURSEMENTS—*continued.*		
EXPENDITURE—*continued.*		
SCIENTIFIC AND OTHER MINOR DEPARTMENTS:		
Objects of a Literary, Scientific, or Antiquarian Character	3,491 17 4	
Expenses attending the preparation of a new Edition of the "Imperial Gazetteer of India" - - - - - - -	3,823 14 10	
Salary of Dr. W. Waagen from 1st January to 31st December 1886, while engaged on Palæontological Work for the Geological Survey - - - - - - - - - -	300 - -	
Deputation Allowance of the Archæological Surveyor of India while employed in this Country, and passage to India -	435 16 7	
Contingent Expenses of the India Museum Collection at Kew	541 13 8	
Preparation of Tide Tables for Indian Ports - - - -	784 10 -	
Maps relating to India - - - - - - - -	231 - -	
Remuneration to several Officers and others specially employed, and Miscellaneous Expenditure - - - - - -	1,516 1 4	
	11,124 13 9	
Stores for India - - - - - - - - - -	9,217 8 10	
		20,342 2 7
TERRITORIAL AND POLITICAL PENSIONS:		
His Highness Maharajah Duleep Singh - - - -	17,386 8 9	
Members of the Bengal Nizamut Family - - - -	900 - -	
		18,286 8 9
CIVIL FURLOUGH AND ABSENTEE ALLOWANCES:		
Covenanted Civil Service - - - - - - - -	80,146 14 3	
Military Officers in Civil employ - - - - - -	71,713 18 4	
Uncovenanted Service - - - - - - - - -	32,803 14 2	
Bengal Pilot Service - - - - - - - - -	2,031 9 8	
Marine Service (under the New Regulations) - - -	1,546 6 5	
		187,742 2 10
SUPERANNUATION ALLOWANCES AND PENSIONS:		
Pensions for Distinguished and Meritorious Services - - -	11,304 14 5	
Pensions on Retirement of Officers of the following Classes:—		
India Office:	£. s. d.	
Superannuation - - - - - -	11,110 3 6	
Compensation (on Reduction of Staff) -	25,140 8 4	
Compassionate - - - - - -	1,632 18 7	
	37,883 10 5	
Judges of the High Courts in India - - - - -	35,496 10 1	
Uncovenanted Service of India - - - - - -	63,874 11 9	
Bengal Pilot Service - - - - - - - -	6,967 16 9	
Marine Service (under the New Regulations) - - -	644 14 5	
Pensions of Officers, &c., of Establishments of the late East India Company, now abolished:		
Officers, &c., of the Home Establishment, of the China and St. Helena Establishments, and of the Maritime Service, pensioned on the Abolition of the Commercial Charter in 1834 - - - - - -	£. s. d. 6,503 3 1	
Officers, &c., of the Home Establishment, pensioned between 1834 and 1858 - -	6,213 3 4	
Professors, &c., at Addiscombe and Haileybury, and Recruiting Staff at Warley, &c.	4,266 10 2	
Officers of the late Indian Navy - -	22,451 16 -	
Poplar Fund Pensions - - - -	21 17 4	
	39,546 9 11	
Carried forward - - - £.	195,718 7 9	3,626,718 1 6

No. 1.—Account of the Receipts and Disbursements of the Home Treasury

	£.	s.	d.	£.	s.	d.
Brought forward - - -	237,650	16	10	4,726,585	7	4
RECEIPTS—*continued.*						
Carried forward - - - £.	237,650	16	10	4,726,585	7	4

of the Government of *India*, from 1st April 1886 to 31st March 1887—*continued*.

	£. s. d.	£. s. d.
Brought forward	195,718 7 9	3,626,718 1 6
DISBURSEMENTS—*continued*.		
EXPENDITURE—*continued*.		
SUPERANNUATION ALLOWANCES AND PENSIONS—*continued*.		
Pensions of Widows and Families of Officers of the Home Service, from Funds (established by the East India Company) to which the Officers subscribed	23,185 17 5	
Pensions payable in respect of the India Office Provident Fund	926 9 4	
Pensions of Widows and Families of Officers of the Bengal Pilot Service, towards which the Officers subscribed	5,794 15 10	
Compassionate and Miscellaneous Pensions	5,468 2 –	
	231,093 12 4	
Gratuities	428 13 8	
Gratuities granted on retirement to Members of the Uncovenanted Service of India	619 14 9	
Relief to Distressed Natives of India	247 14 2	
Subscriptions to Charities (Strangers' Home for Asiatics, Seamen's Hospital Society, and Soldiers' Daughters' Home)	355 – –	
Annuities, Pensions, and Allowances payable in respect of the Indian Civil, Military, and Medical Funds, and the Indian Navy Fund:		
Bengal Civil Service Annuity Fund — £. 259,578 6 10		
Madras Civil Service - ditto — £. 94,430 19 7		
Bombay Civil Fund: Annuity Branch — £. 69,676 14 4		
Bengal Civil Fund — £. 111,050 14 9		
Madras Civil Fund — £. 61,641 – 6		
Bombay Civil Fund: Provident Branch — £. 37,138 15 11		
Bengal Military Orphan Society — £. 60,652 10 5		
Bengal Military Fund — £. 202,936 17 2		
Madras - ditto — £. 189,429 15 10		
Bombay - ditto — £. 110,270 15 2		
Bengal Medical Retiring Fund — £. 38,596 7 4		
Madras Medical Fund — £. 81,920 16 9		
Bombay Medical Retiring Fund — £. 9,442 16 1		
Indian Navy Fund — £. 16,417 11 9		
	1,343,184 2 5	
		1,575,928 17 4
STATIONERY AND PRINTING:		
Stationery, Printing, and Bookbinding, for the India Office, &c.	10,194 11 11	
Stores for India	81,631 12 2	
		91,826 4 1
Carried forward £.		5,294,473 2 11

No. 1.—Account of the Receipts and Disbursements of the Home Treasury

RECEIPTS—*continued.*

	£.	s.	d.	£.	s.	d.
Brought forward	237,650	16	10	4,726,585	7	4

	East Indian Railway.			Eastern Bengal Railway.			Scinde Punjab and Delhi Railway.			Total.		
	£.	s.	d.	£.	s.	d.	£.	s.	d.	£.	s.	d.
STATE RAILWAYS—ANNUITIES IN PURCHASE OF RAILWAYS (INCLUDING SINKING FUNDS):												
Interest in lieu of Deferred Annuity:												
Interest at 4 per cent. per annum on 6,550,000 *l.* (being one-fifth of the commuted value of the Capital Stock of the East Indian Railway Company), the proprietors of which availed themselves of the option of deferring payment of the portion of the Annuity to which they were entitled	262,000	–	–	—			—					
Annuities:												
Annuity terminating in 1953, at the rate of 5 *l.* 12 *s.* 6 *d.* for 100 *l.* Stock of the Company	849,362	5	4	—			—					
" " 1957 " " 6 *l.* 3 *s.* 4·79 *d.* " " "	–	–	–	116,953	10	2	—					
" " 1958 " " 5 *l.* 3 *s.* 3·141 *d.* " " "	–	–	–	–	–	–	371,349	7	5			
Contribution towards management, &c., in respect of the Annuity registered in the name of the Secretary of State	1,373	18	10	139	17	5	324	8	8			
Sinking Funds, created pursuant to Acts 42 & 43 Vict. c. 206, s. 51, and 44 & 45 Vict. c. 53, s. 2 (a):												
Investment of the difference between the sums retained by the Secretary of State in respect of the Annuity and Debenture Stock redeemed by him, and the interest on the Stock created for the redemption thereof:—												
In £. 38,310 1 – India 4 per Cent. Stock	38,932	14	–	—			—					
" 3,312 13 5 " " "	–	–	–	3,368	19	2	—					
" 25,381 7 6 " " "	–	–	–	–	–	–	25,881	9	3			
Investment of interest on the amount of Stock purchased for the Sinking Funds and cancelled:—												
In £. 7,830 5 6 India 4 per Cent. Stock	7,957	4	8	—			—					
" 55 5 4 " " "	–	–	–	56	7	–	—					
£. 74,889 12 9 India 4 per Cent. Stock purchased and cancelled.	1,159,626	2	10	120,518	13	9	397,555	5	4	1,677,700	1	11
STATE RAILWAYS—INTEREST ON DEBT:												
On India 4 per Cent. Stock issued in redemption of portion of Annuity, and outstanding	196,680	6	1	*—56	7	–	—					
" " 3½ " " " " " and Debenture Stock	79,700	5	9	21,262	1	1	174,261	12	8			
" " 3 " " " " " " "	7,435	4	–	21	4	9	—					
" Railway Debentures and Debenture Stock	64,604	5	–	22,140	7	10	—					
	348,420	–	10	43,367	6	8	174,261	12	8	566,049	–	2
£.	1,508,046	3	8	163,886	–	5	571,816	18	–	2,243,749	2	1

* The Sinking Fund of the Eastern Bengal Railway has been applied to the redemption of India 4 per Cent. Stock, instead of to the redemption of a portion of the India 3½ per Cent. Stock issued in exchange for the Eastern Bengal Railway Annuity and Debenture Stock.

Carried forward - - - - £.

£.	s.	d.	£.	s.	d.
237,650	16	10	4,726,585	7	4

of the Government of *India*, from 1st April 1886 to 31st March 1887—*continued.*

	£. s. d.	£. s. d.
Brought forward - - -	- - -	5,294,473 2 11
DISBURSEMENTS—*continued.*		
EXPENDITURE—*continued.*		
MISCELLANEOUS:		
Examination Expenses and Allowances of Candidates for the Covenanted Civil Service of India - - - - -	17,637 11 9	
East India Stock: Capital Stock of the East India Company: payment of Redemption Money - - - - -	1,725 - -	
Expenses in connection with the Orders of the "Star of India" and the "Indian Empire" - - - - - - -	166 4 -	
Composition in lieu of Stamp Duty on India Bonds and Debentures - - - - - - - - - - -	187 10 -	
Sundries - - - - - - - - - - - -	109 13 4	
	19,825 19 1	
Miscellaneous Charges connected with the Supply of Stores to India:		
Marine Insurance, Cost of Stores lost, General Average, &c. - - - £. 507 9 6		
Fines and Penalties incurred by Contractors in providing Stores and Freight (refunds in excess of receipts) 1,384 19 9		
Commission on Freight, Lighterage, Dock Dues, Packing, &c. - - 8,679 7 2	10,571 16 5	
		30,397 15 6
RAILWAY REVENUE ACCOUNT:		
STATE RAILWAYS—INTEREST ON DEBT: (*See* Details on opposite page.)		
East Indian Railway - - - - £. 348,420 - 10		
Eastern Bengal Railway - - - - 43,367 6 8		
Scinde Punjab and Delhi Railway - - 174,261 12 8	566,049 - 2	
STATE RAILWAYS—ANNUITIES IN PURCHASE OF RAILWAYS (INCLUDING SINKING FUNDS): (*See* Details on opposite page.)		
East Indian Railway - - - - £. 1,159,636 2 10		
Eastern Bengal Railway - - - - 120,518 13 9		
Scinde Punjab and Delhi Railway - - 397,555 5 4	1,677,700 1 11	
STATE RAILWAYS—INTEREST ON CAPITAL DEPOSITED BY COMPANIES:		
Bengal Central Railway - - - - £. 31,448 3 8		
Indian Midland Railway - - - 110,323 3 1		
Southern Mahratta Railway - - - 201,859 15 10	343,631 2 7	
GUARANTEED COMPANIES—INTEREST:		
Bombay Baroda and Central India Railway 408,326 16 8		
Great Indian Peninsula Railway - - 1,176,828 5 -		
Madras Railway - - - - - 522,392 12 -		
Oude and Rohilkund Railway - - - 381,531 4 10		
South Indian Railway - - - - 207,897 7 9	2,696,976 6 3	
IRRIGATION:		5,284,356 10 11
MINOR WORKS AND NAVIGATION: Stores for India - - - - - -		1,396 1 2
Carried forward - - - £.		10,610,628 10 6

No. 1.—Account of the Receipts and Disbursements of the Home Treasury

	£.	s.	d.	£.	s.	d.
Brought forward - - -	237,650	16	10	4,726,585	7	4
Receipts—*continued.*						
Carried forward - - - £.	237,650	16	10	4,726,585	7	4

of the Government of *India*, from 1st April 1886 to 31st March 1887 — *continued.*

	£. s. d.	£. s. d.	£. s. d.
Brought forward - - -			10,610,623 10 6
DISBURSEMENTS—*continued.*			
EXPENDITURE—*continued.*			
BUILDINGS AND ROADS:			
MILITARY WORKS: Stores for India - - - - - - - -		1,908 15 -	
CIVIL WORKS AND MISCELLANEOUS SERVICES:			
Royal Indian Engineering College:	£. s. d.	£. s. d.	
Salaries of President, Professors, &c.; Wages of Servants; Provisions, and Contingent Expenses - -	22,396 16 6		
Refund of Caution Money to Students	134 11 -		
	22,531 7 6		
Cost of alterations and additions to the College Buildings - -	498 1 3		
		23,029 8 9	
Salaries and Expenses, while gaining practical experience in their profession, of Students retained in this country after having passed out of the Royal Indian Engineering College - - - - - - - - -		4,478 - 10	
Passage to India of Officers on Appointment - -		850 - -	
Furlough Pay and Allowances of Military Officers in the Public Works Department - - - - - - -		27,767 1 8	
Absentee Allowances of Civil Officers in the Public Works Department - - - - - - -		26,226 16 11	
Salaries and Expenses of Native Officers of the Public Works Department while undergoing practical training in this country, and return passages to India -		2,054 10 -	
Fee for Professional Services in connection with the proposed Construction of a Graving Dock at Bombay		525 - -	
Pay, Expenses, and Passage on appointment of a Gas-Works Manager, and of a Mining Engineer, &c. -		141 13 1	
		85,072 11 3	
Stores for India - - - - - - - - -		1,008 13 5	
			86,081 4 8
			87,989 19 8
ARMY:			
Effective.			
Payments to the Imperial Government on account of Disbursements by the War Office in the year 1886–87, in respect of Her Majesty's British Forces serving in India - - -	£. s. d. 700,000 - -		
Sum brought to account in adjustment of Credits to the Indian Troop Service, included in the Army Effective Accounts with the War Office - -	1,525 19 4		
		701,525 19 4	
Furlough Allowances of Officers of the Indian Service -		173,607 - 7	
Furlough Allowances of Officers of British Regiments serving in India - - - - - - - -		75,351 10 5	
Advances to Regiments proceeding to India - - -		3,531 1 3	
Pay and Allowances during Voyage, of Regiments returning from India - - - - - - -		4,562 4 -	
Indian Troop Service - - - - - - - -		295,242 18 10	
Passage of Officers and Troops otherwise than in Troop Ships		6,422 14 1	
Outfit Allowance to Officers on promotion to Commissioned Rank - - - - - - - -		850 - -	
Purchase of Stallions - - - - - - - -		24,548 8 10	
Purchase of Rams for the Hissar Farm - - -		103 - 4	
Carried forward - - - £.		1,285,744 17 8	- - - 10,698,613 10 2

No. 1.—Account of the Receipts and Disbursements of the Home Treasury

	£.	s.	d.	£.	s.	d.
Brought forward - - -	237,650	16	10	4,726,585	7	4
Receipts—*continued.*						
Total Receipts on account of Revenue - -				237,650	16	10
Carried forward - - - £.				4,964,236	4	2

of the Government of *India*, from 1st April 1886 to 31st March 1887—*continued.*

	£. s. d.	£. s. d.	£. s. d.
Brought forward - - -	1,285,744 17 8	- - -	10,698,613 10 2
DISBURSEMENTS—*continued.*			
EXPENDITURE—*continued.*			
ARMY—*continued.*			
Effective—continued.			
Pay and Allowances of Surgeons on appointment, &c. -	3,411 - 8		
Expenses incurred by Officers acquiring Scientific Knowledge - - - - - - - - -	620 16 6		
Freight from India of unserviceable Military Stores, &c.	228 2 7		
Pay of Lieutenant Colonel F. Weldon while in this country in connection with the manufacture of his Range-finder - - - - - - - -	121 - 8		
Pay and Expenses of Officers studying the Russian Language - - - - - - - - -	2,924 - 4		
Expenses in connection with the Indian Contingent engaged in the Expedition to Egypt in 1882 - -	3,920 11 2		
Pay and Expenses of Officers specially employed, of Non-Commissioned Officers of the Indian Establishment under Instruction at Woolwich, and of Artificers having special technical training, for various Government Factories in India; and other Miscellaneous Expenditure - - - - - - - - -	2,852 14 4		
	1,299,323 3 11		
Stores for India: £. s. d.			
Clothing - - - - - 289,676 9 5			
Ordnance and Miscellaneous - - 143,227 7 -			
Medical - - - - - 18,507 2 11			
Malt Liquor - - - - - 16,702 13 2			
Commissariat - - - - 19,163 16 10			
	487,277 9 4		
Non-Effective.		1,786,600 13 3	
Payments to the Imperial Government on account of Retired Pay, Pensions, &c., of Her Majesty's British Forces, for service in India - - - - - -	106,203 - -		
Pay of Non-effective Colonels of Royal Artillery and new Line Regiments - - - - - - - -	30,024 6 7		
Pay and Pensions of Non-effective and Retired Officers of the Indian Service - - - - - - - -	1,533,552 19 4		
Gratuity, equal to the Value of his Commission, granted to an Officer of a British (formerly Indian) regiment on his Retirement from the Service - - -	1,362 10 -		
Compassionate Allowances of Officers removed from the Service, &c. - - - - - - - - -	2,543 8 2		
Pensions of Non-commissioned Officers and Soldiers -	20,482 3 7		
Pensions of Widows and Families of Officers killed in the Mutiny, or otherwise, in Discharge of Duty -	9,893 8 4		
Gratuities to ditto - - - - - - - - -	1,537 16 3		
Pensions of Widows and Families of Officers, &c., of the Indian Service - - - - - - - -	62,622 6 10		
Indian Military Service Family Pensions, towards which the Officers subscribed - - - - - - -	8,281 16 3		
Payment to the Representatives of Lord Clive, on account of their Reversionary Claim to the Capital of the late "Lord Clive's Fund" - - - - -	1,049 - -		
Cost of Medals - - - - - - - - -	12 12 7		
		1,777,565 7 11	
SPECIAL DEFENCE WORKS:			3,564,166 1 2
INDIA: Stores for India - - - - - - - -	- - -	143,541 2 5	
ADEN: Moiety chargeable against Indian Revenues—			
Of the Deputation Allowance and Expenses of an Officer employed in connection with the Defences at Aden - - - -	402 5 3		
Of the Cost of Stores supplied - - -	3,226 9 11		
		3,628 15 2	
			147,169 17 7
TOTAL EXPENDITURE CHARGEABLE AGAINST REVENUE (carried forward) - - £.			14,409,949 8 11

No. 1.—Account of the Receipts and Disbursements of the Home Treasury

	£.	s.	d.	£.	s.	d.
Brought forward - - -				4,964,236	4	2
Receipts—*continued.*						
DEBT:						
PERMANENT DEBT:						
India 3 per Cent. Stock: Money raised by the issue of 6,000,000 *l.* Stock - - - - - - - - - - - -				5,207,445	15	2
India 3½ per Cent. Stock, created under Acts 44 & 45 Vict. c. 53, and 48 & 49 Vict. c. 25, s. 25:—						
In redemption of 126 *l.* 12 *s.* 6 *d.* of the East Indian Railway Annuity - - - - -	2,925	3	–			
In redemption of 200,467 *l.* 10 *s.* 5 *d.* of the Scinde Punjab and Delhi Railway Annuity -	4,911,621	6	1			
				4,914,546	9	1
						10,121,992 4 3
Carried forward - - - £.						15,086,228 8 5

of the Government of *India*, from 1st April 1886 to 31st March 1887—*continued.*

	£.	s.	d.	£.	s.	d.
Brought forward - - -				14,409,949	8	11
DISBURSEMENTS—*continued.*						
EXPENDITURE NOT CHARGED TO REVENUE:						
CAPITAL OUTLAY ON RAILWAYS AND IRRIGATION WORKS:						
STATE RAILWAYS:						
Stores for India - - - - - - - - - - - -	1,309,013	1	4			
Salary and Expenses of Consulting Engineer and Staff, Pay and Passages of Mechanics on Appointment, &c. - - - - - - - - -	12,061	–	–			
	1,321,074	1	4			
IRRIGATION WORKS:						
Stores for India - - - - - - - - - - - -	2,008	7	5			
				1,323,082	8	9
CAPITAL CHARGE INVOLVED IN REDEMPTION OF LIABILITIES:						
EAST INDIAN RAILWAY:						
Redemption of 120 *l.* 12 *s.* 6 *d.* of the Annuity, by the issue of India 3½ per cent. Stock, under the provisions of Act 44 & 45 Vict. c. 53; being the amount of Stock issued in exchange (*see* Receipt under "Debt") - - - - - - - - - - - -	2,925	3	–			
SCINDE PUNJAB AND DELHI RAILWAY:						
Redemption of 200,467 *l.* 10 *s.* 5 *d.* of the Annuity, by the issue of India 3½ per cent. Stock, under the provisions of Acts 44 & 45 Vict. c. 53, and 48 & 49 Vict. c. 25, s. 25; being the amount of Stock issued in exchange (*see* Receipt under "Debt") - - - - - - - -	4,911,621	6	1			
				4,914,546	9	1
DEBT:						
PERMANENT DEBT DISCHARGED:						
India 5 per Cent. Stock - - - - - - - - - - -	320	–	–			
India 4 per Cent. Stock (*see* East Indian, Eastern Bengal, and Scinde Punjab and Delhi Railway Sinking Funds, and Discount Sinking Fund) - - - - - - - - - - - -	—					
Eastern Bengal Railway Debentures, due 12th July 1886 - - -	409,700	–	–			
East Indian Railway Debentures - - - - - - -	1,000	–	–			
				411,020	–	–
Carried forward - - - £.				21,058,598	6	9

No. 1.—Account of the Receipts and Disbursements of the Home Treasury

	£.	s.	d.
Brought forward - - -	15,086,228	8	5

RECEIPTS—*continued.*

DEPOSITS AND ADVANCES:

REPAYMENT OF ADVANCES:

	£.	s.	d.	£.	s.	d.	£.	s.	d.
Repayment of Disbursements in England for purchase of Malt Liquor on behalf of the Imperial Government - - - - - - - - -	2,548	7	11						
Repayment of expenses in England in connection with the employment of Indian Native Troops in the Soudan and Nubia, recoverable from the Imperial Government - - - - -	1,219	10	4						
				3,767	18	3			

MISCELLANEOUS DEPOSITS:

Unclaimed Interest repaid by the Eastern Bengal, and Scinde Punjab and Delhi Railway Companies, and by the Madras Irrigation and Canal Company, in consequence of the purchase of the several undertakings by the State - - - - - - - - - -				9,812	–	9			
							13,579	19	–

CAPITAL RECEIPTS FROM RAILWAY COMPANIES:

ON ACCOUNT OF SUBSCRIBED CAPITAL:

	£.	s.	d.	£.	s.	d.	£.	s.	d.
State:									
Bengal-Nagpur Railway - -	1,655,674	–	–						
Indian Midland Railway - -	122,448	–	–						
Southern Mahratta Railway -	205,250	–	–						
				1,983,372	–	–			
Guaranteed:									
Great Indian Peninsula Railway	992,500	–	–						
Oude and Rohilkund Railway -	992,500	–	–						
South Indian Railway - -	147,000	–	–						
				2,132,000	–	–			
Subsidized:									
Rohilkund and Kumaon Railway - - -				20,000	–	–			
							4,135,372	–	–

ON ACCOUNT OF TRANSFER FEES, AND MISCELLANEOUS REFUNDS:

	£.	s.	d.	£.	s.	d.	£.	s.	d.
State:									
Indian Midland Railway - -	363	5	–						
Southern Mahratta Railway -	619	13	5						
				982	18	5			
Guaranteed:									
Bombay Baroda and Central India Railway - - -	1,517	16	8						
Great Indian Peninsula Railway	857	15	4						
Madras Railway - - -	647	15	5						
Oude and Rohilkund Railway -	68	5	–						
Scinde Punjab and Delhi Railway (in respect of period to 31st December 1885) - -	52	15	2						
South Indian Railway - -	311	19	10						
				3,456	7	5			
							4,439	5	10
							4,139,811	5	10

	£.	s.	d.
Carried forward - - - £.	19,239,619	13	3

of the Government of *India*, from 1st April 1886 to 31st March 1887—*continued*.

			£. s. d.
		Brought forward - - -	21,058,598 6 9
DISBURSEMENTS—*continued*.			
DEPOSITS AND ADVANCES:			
ADVANCES REPAYABLE:	£. s. d.		
For purchase of Malt Liquor on behalf of the Imperial Government -	2,548 7 11		
Expenses in England recoverable from the Imperial Government in connection with the employment of Indian Native Troops in the Soudan and Nubia - - - - - - - - - -	103 - -		
Moiety of Expenditure in England on account of Defence Works at Aden, recoverable from the Imperial Government - - - - -	3,628 15 3		
			6,280 3 2
PAYMENTS TO RAILWAY COMPANIES ON CAPITAL ACCOUNT:*			
FOR DISCHARGE OF DEBENTURES:			
Guaranteed:	£. s. d.		
Great Indian Peninsula Railway - - -	777,800 - -		
Madras Railway - - - - - -	140,000 - -		
Oude and Rohilkund Railway - - - -	500,000 - -		
		1,417,800 - -	
ON ACCOUNT OF STORES, ESTABLISHMENT CHARGES, &c.:			
State:	£. s. d.		
Bengal-Nagpur Railway - -	40,000 - -		
Indian Midland Railway -	394,255 6 2		
Southern Mahratta Railway -	273,679 6 8		
	707,934 12 10		
Guaranteed:			
Bombay Baroda and Central India Railway - - -	159,043 5 7		
Great Indian Peninsula Railway	318,147 16 10		
Madras Railway - - -	169,409 2 2		
Oude and Rohilkund Railway -	140,528 14 10		
Scinde Punjab and Delhi Railway (in respect of period to 31st December 1885) - -	10,812 - 5		
South Indian Railway - -	68,200 6 5		
	866,141 6 3		
Subsidized:			
Rohilkund and Kumaon Railway - - -	20,000 - -		
		1,594,075 19 1	
			3,011,875 19 1
		Carried forward - - - £.	24,076,754 9 -

* Advances to the East Indian Railway Company, and advances to the Bombay Baroda and Central India Railway Company on account of the Rajputana-Malwa Railway, are treated as Remittances.

No. 1.—Account of the Receipts and Disbursements of the Home Treasury

	£.	s.	d.	£.	s.	d.
Brought forward - - -				19,239,619	13	3
RECEIPTS—*continued.*						
REMITTANCE ACCOUNT BETWEEN ENGLAND AND INDIA:						
Repayments by Her Majesty's Treasury and other Public Departments in respect of						
Expenses attending the employment of Indian Native Troops in the Soudan and Nubia - - - - - - - - - - -	75,856	8	2			
Advances in India on account of the Emigration of Coolies, and Supplies to Her Majesty's Ships on the East India Station - - -	60,683	18	5			
Pensions paid in India to Out-pensioners of Chelsea Hospital, &c. -	21,883	1	4			
Pensions paid in India to retired Hong Kong Police - - - -	805	5	11			
Disbursements in India in connection with the Zulu War - - -	16	7	1			
Sums paid in India on behalf of the Imperial Government in connection with the Expedition to Egypt in 1882 - - - - - -	18	6	8			
Stores supplied by the Ordnance Department of India to the British Army in Egypt - - - - - - - - - - -	8,118	10	4			
Moiety of expenditure at Aden on account of Defence Works there -	12,000	–	–			
Miscellaneous Advances made in India - - - - - -	9,914	17	1			
	189,296	15	–			
Estates remitted from India by Administrators General by means of Bills on London - - - - - - - - - - - - -	23,035	6	4			
East Indian Railway Company: Transfer Fees and Miscellaneous Refunds -	973	3	4			
Miscellaneous Receipts (including 18,439 *l.* 8 *s.* 2 *d.* on account of sales, &c., at the Colonial and Indian Exhibition) - - - - - - -	21,554	5	7			
Bills of Exchange and Telegraphic Transfers on India - - - -	12,136,278	10	11			
				12,371,138	1	2
			£.	31,610,757	14	5

India Office, 1 October 1887.

I certify that this Account has been examined under my directions; and that,

India Audit Office,
8 May 1888.

For Statement showing New or Increased Salaries or Pensions granted or created within

of the Government of *India*, from 1st April 1886 to 31st March 1887—*continued.*

	£. s. d.	£. s. d.
Brought forward - - -		24,076,754 9 –
DISBURSEMENTS—*continued.*		
REMITTANCE ACCOUNT BETWEEN ENGLAND AND INDIA:		
Payments to Her Majesty's Treasury and other Public Departments on account of		
Postal and Money Order Transactions - - - - - - -	156,663 – 10	
Little Basses Light Vessel Dues - - - - - - - -	12,333 12 9	
Balances of Shipping Masters' Accounts - - - - - -	2,403 18 7	
Transactions in India in connection with the Expedition to Egypt in 1882 - - - - - - - - - - - - - -	85 13 1	
Miscellaneous - - - - - - - - - - - - - -	3,083 14 –	
	174,569 19 3	
Discharge of the Principal of the Indian Transfer Loan of 22nd April 1854	1,125,971 13 3	
Balance due to the Agents of the Madras Civil Fund, on its being closed -	2,441 5 8	
Bills drawn by the Mission to the Court of Persia, in respect of advances made on Indian account (including 10,392*l.* 1 *s.* 11 *d.* on account of the Afghan Boundary Commission) - - - - - - - - -	55,982 16 11	
Family and Miscellaneous Remittances - - - - - - - -	360,328 11 –	
Family Allotments of Mechanics, &c. - - - - - - - -	4,736 11 7	
Remittances by Administrators General - - - - - - - -	52,924 2 3	
East Indian Railway Company: Advances for purchase of Stores, &c. - -	330,947 10 1	
Rajputana-Malwa Railway: Advances for purchase of Stores, &c. - -	56,598 6 3	
Stores chargeable to Provincial and Local Funds and to Native States -	64,457 19 11	
Pay and Pensions chargeable to Native States, Local Funds, &c. - -	15,349 11 11	
Miscellaneous payments to be brought to charge or recovered in India - -	8,866 – 7	
		2,253,174 8 8
TOTAL DISBURSEMENTS - - - £.		26,329,928 17 8
BALANCE on the 31st March 1887, including Sums in the hands of Sub-Accountants		5,280,828 16 9
£.		31,610,757 14 5

Thos. W. Keith, Accountant General.

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subject to the observations contained in the annexed Report, it is correct.

Walter Carew Cocks, Auditor.

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the year 1886–87, *see* pages 52 and 53 of the Home Accounts presented in May 1887, No. 152.

No. 2.

REPORT of the AUDITOR upon the INDIAN HOME ACCOUNTS, from 1st April 1886 to 31st March 1887, prepared, and submitted to Parliament and to the Secretary of State in Council, in pursuance of the 52nd Section of Act 21 & 22 Vict. c. 106.

1. WITH reference to the various questions which remained outstanding at the date of my last Report, I would observe that the various surcharges and disallowances included in paragraphs 1, 3, and 5, amounting to 263 *l.* 6*s.* 9 *d.*, and 54 *l.* 19 *s.* 6 *d.* respectively, have been disposed of, with the exception of 2 *l.* 16 *s.* due for Messing (alluded to in paragraph 3), which, although recovered, was not brought to account within the year; and 25 *l.* (part of the disallowance of 52 *l.* 10 *s.* alluded to in paragraph 5), which is still outstanding.

2. The question referred to in paragraph 4 relative to the prices charged by the War Office for warlike stores still remains open.

3. In paragraph 7 it was stated that sums amounting to 11 *l.* 15 *s.* 11 *d.* were surcharged; of this amount 17 *s.* 9 *d.* still remains to be accounted for.

4. Paragraph 8. It was observed that an apparent short recovery in respect of a Gun Carriage had been made; an amount of 29 *l.* 1 *s.* has now been recovered on this account.

5. The sum of 4 *l.* 14 *s.* 5 *d.* due on account of the equipment, &c., of 1st Royal Irish Regiment, has been received.

6. Of the several sums included in paragraph 9, 954 *l.* 3 *s.* 6 *d.*, and 322 *l.* 8 *s.*, have been recovered; but, inasmuch as these sums have not been credited in the accounts of the year, they still remain surcharged. The sum of 981 *l.* 0 *s.* 2 *d.* has, on further explanation, been withdrawn, and 10 *l.* 12 *s.* surcharged on account of Officers' Messing has been received.

7. Paragraph 10. Sums amounting to 15 *l.* 18 *s.*, due by Officers on account of Messing, have been recovered, and credited within the year with the exception of 4 *l.* 2 *s.*, which still remains as a surcharge.

8. Paragraph 11. An outstanding credit of 3 *l.* 8 *s.* 9 *d.* in respect of a Telegram has been credited.

9. The over-payment of 4 *s.* noted in paragraph 12 has been received.

10. Paragraph 13. £. 2. 5 *s.* 6 *d.*, the unexpended portion of an advance on account of the passage of two natives has been accounted for.

11. Paragraph 14. A part of the disallowance of 35 *l.* 5 *s.* 10 *d.*, balance of an advance for the purchase of Books, Maps, &c., has been accounted for; but the sum of 4 *l.* 11 *s.* 8 *d.* still remains unadjusted.

12. Paragraph 15. With reference to the sums of 201 *l.* 0 *s.* 10 *d.*, and 163 *l.* 17 *s.* 3 *d.*, disallowed as alleged overcharges in respect of the pay of certain men of the East Surrey and Royal Irish Regiments, no decision has, as yet, been arrived at.

13. Paragraph 16. The disallowances of 13 *s.* 8 *d.*, 33 *l.* 4 *s.* 6 *d.*, and 1 *l.* 1 *s.*, have been recovered; but as the latter sum (1 *l.* 1 *s.*) has not been brought to account within the year, it must again be disallowed.

14. Paragraph 17. The over-payments of 291 *l.* 8 *s.* 2*d.*, 2 *s.* 6 *d.*, 1 *l.* 17 *s.* 7 *d.*, and 511 *l.* 13 *s.* 8*d.* have been adjusted.

I will now deal with the questions which have arisen on the Account for 1886-87.

RECEIPTS.

Buildings and Roads: Civil Works, and Miscellaneous Services:

15. Royal Indian Engineering College: Sale of Provisions, Farm Produce, &c. - - - - - - - - - - - - - - - £. 1,087. 9 *s.* 5 *d.*

The sum of 1 *l.* 7 *s.* 6 *d.* due on this head not having been paid at the close of the Account is surcharged.

Army—Effective:

16. Value of clothing, accoutrements, &c., in possession of Regiments on their transfer from the Indian to the British Establishment; and proceeds of sales of Unserviceable Military Stores, &c.:

Clothing and Necessaries - - - - - - - - £. 9,798. 18 *s.* 3 *d.*

The sums of 4 *l.* 1 *s.* 11 *d.*, and 5 *l.* 12 *s.* 3 *d.*, omitted in the original Valuation Statements furnished by the War Office, but now allowed by that Department, must be surcharged.

17. Indian

17. Indian Troop Service: Receipts from the Admiralty, Recoveries on account of Messing, &c. - - - - - - - - - - - - £. 34,607. 4 *s.* 4 *d.*

£. 331. 1 *s.* 11 *d.* due for the use of Troop Bedding by Imperial Passengers during the season 1885-86 must be surcharged.

£. 2. 0 *s.* 6 *d.* difference in the cost of messing an officer chargeable against the Imperial Government must be surcharged.

18. Passage of Officers and Troops: Recoveries on account of Messing - £. 202. 11 *s.* 0 *d.*

£. 15. 2 *s.* due from various officers on account of Messing not having been recovered within the year, must be surcharged.

DISBURSEMENTS.

General Administration—England:

19. Telegrams to India - - - - - - - - - - - - £. 7,901. 9 *s.* 1 *d.*

The sum of 3 *l.* 7 *s.* 6 *d.*, being the cost of a Telegram which is recoverable, not having been repaid, must be surcharged.

Marine:

20. Contribution towards the expenses of H.M. Ships employed in the Indian Seas - - - - - - - - - - - - £. 70,000. 0 *s.* 0 *d.*

In connection with paragraph 6 in my previous Report, I may here mention that, according to the Navy Estimates, the subsidy to be paid by India for the year 1888-89 for this service will be 38,500 *l.*; thus showing a gain in favour of the Indian Exchequer of 31,500 *l.*

21. Expenses incurred in connection with the despatch to India of the new Indian Government Steamers "Lawrence," "Dalhousie," "Muzbee," and "Tamil" - - £. 3,549. 12 *s.* 4 *d.*

The sum of 15 *s.*, being the amount of an over-payment to an engineer, must be disallowed.

Scientific and other Minor Departments:

22. Contingent Expenses of the India Museum Collection at Kew - - £. 541. 13 *s.* 8 *d.*

The sum of 1 *l.* 13 *s.* 1 *d.*, paid in excess of the annual grant to Kew, must be disallowed.

Miscellaneous: Miscellaneous Charges connected with the supply of Stores to India:

23. Commission on Freight, Lighterage, Dock Dues, Packing, &c. - - £. 8,679. 7 *s.* 2 *d.*

The sum of 3 *l.* 3 *s.* 4 *d.* overpaid on account of Freight, must be disallowed, and a further sum of 6 *s.* 2 *d.*, due by a Contractor for testing, not having been paid by him must be surcharged.

Buildings and Roads: Civil Works and Miscellaneous Services:

24. Royal Indian Engineering College: Salaries of President, Professors, &c.; Wages of Servants; Provisions and Contingent Expenses - - £. 22,396. 16 *s.* 6 *d.*

An over-payment of 10 *s.* 6 *d.* must be disallowed.

Army—Effective:

25. Furlough Allowances of Officers of British Regiments serving in India - £. 75,351. 10 *s.* 5 *d.*

The sums of 4 *l.* 15 *s.* 8 *d.* and 57 *l.* 18 *s.* 4 *d.*, having been erroneously charged against Indian Revenues, must be disallowed.

26. Indian Troop Service - - - - - - - - - - £. 295,242. 18 *s.* 10 *d.*

In connection with this account, the sum of 1,018 *l.* 0 *s.* 3 *d.*, being a moiety of the cost of Fittings of the Transport "Hankow," has been refunded by the Imperial Government; but not having been credited within the year, must be surcharged.

27. Stores for India: Clothing - - - - - - - - - - £. 289,676. 9 *s.* 5 *d.*

Several sums, viz., 85 *l.* 6 *s.* 1 *d.*, 65 *l.* 12 *s.*, 117 *l.* 16 *s.* 6 *d.*, amounting in all to 268 *l.* 14 *s.* 7 *d.*, over-payments in valuation statements of clothing taken to India, must be disallowed; and a sum of 17 *l.* 14 *s.* 4 *d.*, apparently paid contrary to regulation, is under consideration.

Expenditure not charged to Revenue: Capital Outlay on Railways and Irrigation Works:

State Railways:

28. Stores for India - - - - - - - - - - - £. 1,309,013. 1 *s.* 4 *d.*

The sum of 1 *l.* 8 *s.* 6 *d.* has been overpaid, and must be disallowed.

29. Salary and expenses of Consulting Engineer and Staff; pay and passages of Mechanics on appointment, &c. - - - - - £. 12,061. 0 *s.* 0 *d.*

The several sums overpaid on account of travelling bills, viz., 1 *s.*, 1 *s.* 10 *d.*, and 10 *s.* 6 *d.*, must be disallowed.

	£.	*s.*	*d.*	£.	*s.*	*d.*	£.	*s.*	*d.*
To the balance as shown on the present Account - - - - -							5,280,828	16	9
the following sums will have to be added:—									
Surcharges on previous Accounts - -	1,284	7	3						
Ditto - present Account - - -	1,381	–	–						
				2,665	7	3			
Disallowances on previous Accounts - -	395	10	9						
Ditto - present Account - -	339	12	4						
				735	3	1			
							3,400	10	4
							£. 5,284,229	7	1

India Audit Office,
8 May 1888.

Walter Carew Cocks, Auditor.

No. 3.

REPORT of the AUDITOR of the INDIAN HOME ACCOUNTS on the STORES ACCOUNTS, from 1st April 1886 to 31st March 1887; prepared, and submitted to Parliament and to the Secretary of State in Council, in pursuance of 52nd Section of Act 21 & 22 Vict. c. 106.

1. WITH reference to the last paragraph of my Report for the previous year I have now to state that the sum of 2 *l.* 6 *s.* 1 *d.* has been recovered from a Contractor for a short delivery of stores, and that the other questions therein alluded to have been disposed of.

2. Of the packing accounts referred to in paragraph 2 as outstanding, the number remaining unaccounted for has not been reduced.

3. In paragraph 3 it was stated that 52 packing accounts had not been returned. Of these, four have been received during the present year.

4. Out of the number of 3,347 issued during the present year, only 40 remain to be accounted for.

5. A few questions relating to the packing accounts sent out during the present year are still under consideration.

India Audit Office,
8 May 1888.

Walter Carew Cocks, Auditor.

No. 4.

STATEMENT of the NET EXPENDITURE and RECEIPTS on account of the ROYAL INDIAN ENGINEERING COLLEGE, during the Year ended 31st March 1887.

	£. s. d.	£. s. d.
NET EXPENDITURE:		
Salaries and Allowances of President, Professors, Lecturers, Examiners, Chaplain, &c.		9,900 2 –
Steward's Salary, Wages of Servants, Expenses of the Laundry, &c.		2,300 16 9
Rent and Taxes, Maintenance of Building, Repairs of Furniture, &c.		2,013 11 –
Lights, Fuel, and other House Articles		1,042 6 10
Provisions, Wines, &c.		3,973 19 –
Advertisements, Postage, Travelling Expenses, &c.		441 13 2
Library, Laboratory, Workshops, &c., and Expenses of Students visiting Works, &c.		1,637 15 2
		21,310 3 11
Deduct:—		
Receipts on account of Garden, Farm, and Dairy, in excess of Expenditure		– 16 10
		21,309 7 1
Expenditure (page 15)	22,396 16 6	
Less,—Sale of Provisions, Farm Produce, &c. (page 4)	1,087 9 5	
RECEIPTS:		
Fees and Caution Money received from Students:		
In England (page 4)	21,193 16 1	
Less,—Refunds of Caution Money (page 15)	134 11 –	
	21,059 5 1	
In India:		
Finance and Revenue Accounts (page 139)	129 – –	
„ „ (page 140)	493 – –	
	622 – –	
		21,681 5 1
Excess Receipt, excluding Interest on Capital Outlay	£.	371 18 –
Cost of alterations and additions to the College Buildings (page 15)		£. 498 1 3

Thos. W. Keith, Accountant General.

No. 5.

INDO-EUROPEAN GOVERNMENT TELEGRAPH DEPARTMENT.

SUMMARY of EXPENDITURE on CAPITAL ACCOUNT, to 31st March 1887.

			£. s. d.
Total Capital Expenditure to 31st March 1886			1,129,975 14 8
Capital Expenditure from 1st April 1886 to 31st March 1887:			
	Charges.	Credits.	
IN INDIA:	£. s. d.	£. s. d.	
Works	2,283 4 2	—	
„ (Expenditure of Public Works Department)	65 14 –	—	
Tools and Plant	761 8 4	—	
Suspense Heads:			
Stores	25,448 19 11	39,433 10 8	
Advances	3,984 8 7	3,566 3 9	
	32,543 15 –	42,999 14 5	
As above	*42,999 14 5*		
„	32,543 15 –		
Finance and Revenue Accounts, p. 56	*£. 10,455 19 5*		
IN ENGLAND:			
Works (3rd Bushire—Jask Cable)	— 7 – –	—	
Suspense Head, "Stores"	6,929 15 11	—	
	6,922 15 11	—	
TOTAL £.	39,466 10 11	42,999 14 5	3,533 3 6
			1,126,442 11 2
Deduct:—			
Receipts in India:		£. s. d.	
Recovery on account of Persian Debt		3,315 – –	
Miscellaneous		*1,248 17* –	
(Finance and Revenue Accounts, p. 56).			2,066 3 –
TOTAL Capital Expenditure to 31st March 1887		£.	1,124,376 8 2

Dr. REVENUE ACCOUNT for the Year ended 31st March 1887. *Cr.*

	Persian Gulf Section.	Persian Section.	£. s. d.
To TRAFFIC EARNINGS during the Year:			
	£. s. d.	£. s. d.	
GROSS EARNINGS	93,458 3 5	11,647 19 4	
COMMON PURSE:			
Credits	72,005 16 3	8,974 5 11	
Debits	66,735 2 10	8,317 7 11	
BALANCE due to Common Purse £.	5,270 13 5	656 18 –	
TOTAL Traffic Receipts £.	88,187 10 –	10,991 1 4	99,178 11 4
To MISCELLANEOUS RECEIPTS:			
In India (Finance and Revenue Accounts, p. 56.)	607 1 3	589 4 9	1,196 6 –
To PROFIT AND LOSS:			
Unsettled Traffic, 1883-84, and Exchange written off	4 13 10	—	4 13 10
£.			100,379 11 2

	Persian Gulf Section.	Persian Section.	£. s. d.
By EXPENDITURE during the Year:			
	£. s. d.	£. s. d.	
LINE MAINTENANCE AND WORKING:			
In India (Finance and Revenue Accounts, p. 56.)	58,325 14 3	17,836 14 8	
In England	5,621 10 1	4,768 15 9	
£.	63,947 4 4	22,605 10 5	86,552 14 9
By BALANCE, being excess of Receipts over Expenditure			13,826 16 5
£.			100,379 11 2

Expenditure in England.

	£. s. d.
As above	5,621 10 1
„	4,768 15 9
Capital Account	6,922 15 11
Amount in Home Accounts, page 5 £.	17,313 1 9

No. 5.—INDO-EUROPEAN GOVERNMENT TELEGRAPH DEPARTMENT—*continued.*

TRANSACTIONS on REVENUE ACCOUNT during the Year ended 31st March 1887, showing their agreement with the FINANCE and REVENUE ACCOUNTS.

	£. s. d.	£. s. d.	£. s. d.
Amounts Receivable or in Suspense, 31st March 1886 -	- - -	10,197 14 4	
Less,—			
Amounts Payable or in Suspense - - ditto - -	- - -	11,141 16 3	
			944 1 11
CASH RECEIPTS during the Year:			
In India (Finance and Revenue Accounts, p. 56) -	84,853 18 7		
In England (Home Accounts, p. 2) - - - -	9,558 6 7		
		94,412 5 2	
Less,—			
EXPENDITURE			
In India (Finance and Revenue Accounts, p. 56) -	76,162 8 11		
In England { Home Accounts (p. 5) - £. 17,313 1 9 / *Less,*—Charged to Capital 6,922 15 11 }	10,390 5 10		
		86,552 14 9	
			7,859 10 5
Amounts outstanding, 31st March 1887, viz.:			
Amounts Receivable or in Suspense - - - - - -		10,247 5 9	
Less,—			
Amounts Payable or in Suspense - - - - - - -		5,224 1 8	
			5,023 4 1
BALANCE, being Excess of Receipts over Expenditure as per REVENUE ACCOUNT - £.			13,826 16 5

London Office,
22 March 1888.

A. Brasher,
Director of Traffic.

No. 6.

ACCOUNT of the CHARGES and RECEIPTS in respect of the INDIAN TROOP SERVICE, from 1st April 1886 to 31st March 1887.

	£.	s.	d.
1. Capital Charges of the Service	—		
2. Salaries, &c. of Establishments in England, Egypt, and India	7,334	19	–
3. Repairs and Naval and Gunners' Stores for the Troop Ships	91,444	9	5
4. Furniture, Lamps, and Mess Articles for the Troop Ships	2,994	–	10
5. Coals for Troop Ships	32,062	17	6
6. Mess of Officers on board the Troop Ships	23,072	3	–
7. Provisions and Stores for Troops and Horses	28,786	5	2
8. Pay, Victualling, &c. of the Crews of the Troop Ships	66,719	10	–
9. Miscellaneous Charges of the Troop Ships	1,912	19	2
10. Suez Canal Transit Charges	35,441	9	9
11. Repairs, Stores, &c. for the Steam Launch and Boats, and for the Royal Victoria Buildings at Suez	853	9	11
12. Miscellaneous Expenses of the Service	2,671	2	3
13. Cost of Conveyance of Troops in other than Indian Troop Ships	10,376	–	3
	303,669	6	3

Deduct,—	£.	s.	d.			
Receipts from the Imperial Government for employment of the Troop Ships, and for passages of Officers and Men on Imperial Service	11,566	12	11			
Recoveries on account of the Messing of Officers, &c., and the Rations of Troops	25,803	2	4			
Proceeds of Sale of Old and Unserviceable Stores, and recoveries for losses or damage of Stores, and for Forage supplied to Officers' Horses	1,716	9	9			
				39,086	5	–
				264,583	1	3
Deduct,— Credits for Disbursements on account of Other Services unadjusted on 31st March 1886				603	9	1
			£.	263,979	12	2

Net Expenditure as shown in the Home Accounts:—	£.	s.	d.	£.	s.	d.	£.	s.	d.
Disbursements (page 15)	295,242	18	10						
Receipts (page 6)	34,607	4	4						
				260,635	14	6			
Net Expenditure in Finance and Revenue Accounts:—									
Disbursements (page 166)	9,097	1	11						
Receipts (page 160)	5,753	4	3						
				3,343	17	8			
							263,979	12	2

F. W. Sullivan,
Director of Transports.

I concur.

A. W. Chitty,
Consulting Officer, Indian Troop Service.

Admiralty, 20 March 1888.

No. 7.

COMPARISON of the ESTIMATED and ACTUAL RECEIPTS and DISBURSEMENTS

RECEIPTS.	1886-87. Budget Estimate, March 1886.	1886-87. Account.	Increase.	Decrease.	
REVENUE:	£.	£.	£.	£.	
INTEREST:					
Interest realised from Investment of Cash Balance, &c.	10,000	41,352	31,352	-	1
TELEGRAPH:					
Indo-European Telegraph	8,800	9,558	758	-	2
MINT:					
Proceeds of Sales of Indian Coins sent to this country for Assay	-	60	60	—	3
MEDICAL:					
Pensions, &c., of Inmates of the Royal India Lunatic Asylum, appropriated to their maintenance, &c.	2,000	2,488	488	-	4
SCIENTIFIC AND OTHER MINOR DEPARTMENTS:					
Sale Proceeds of Books, Maps, &c.	500	600	100	—	5
RECEIPTS IN AID OF SUPERANNUATION ALLOWANCES AND PENSIONS:					
Subscriptions, &c. to the Widows' Funds of the Home Establishment of the East India Company, and in respect of the India Office Provident Fund	11,400	11,299	-	101	6
Subscriptions in respect of the Indian Civil, Military and Medical Funds, and the Indian Navy Fund	85,000	91,394	6,394	-	7
Subscriptions towards Indian Civil Service Family Pensions	-	76	76	—	8
MISCELLANEOUS:					
Miscellaneous receipts connected with the supply of Stores to India, and sundry items	3,000	6,873	3,873	-	9
RAILWAYS:					
STATE RAILWAYS:					
East Indian Railway: Rent of Premises occupied by the Company	200	230	30	—	10
BUILDINGS AND ROADS:					
CIVIL WORKS AND MISCELLANEOUS SERVICES:					
Royal Indian Engineering College: Fees from Students, &c.	21,500	22,281	781	-	11
ARMY:					
Effective.					
Value of Clothing, Accoutrements, &c. in possession of Regiments on their transfer from the Indian to the British Establishment; proceeds of Sales of unserviceable Stores; receipts on account of the Indian Troop Service; recoveries on account of Messing, &c.	33,000	47,162	14,162	-	12
Non-effective.					
Subscriptions towards Indian Military Service Family Pensions	3,500	4,278	778	—	13
TOTAL RECEIPTS ON ACCOUNT OF REVENUE, carried forward £.	178,900	237,651			

- - - - - - - - No. 7.

of the HOME TREASURY of the GOVERNMENT of *India*, for the Year 1886-87.

	EXPLANATIONS OF INCREASE OR DECREASE.
1	The Loan of 6,000,000 *l.* was issued in May, and a large proportion was paid up in full, consequently the Cash Balance was abnormally large during a great part of the year. Moreover, the rate of interest obtainable in the latter part of the year was unusually high.
2	Owing to an increase of traffic.
4	Several patients were admitted during the year, portions of whose pensions were thus appropriated.
7	The Account includes receipts on account of the Madras Civil Fund, amounting to 2,144 *l.*, which were not anticipated, and the receipts on account of several Funds exceeded the Estimate.
9	A sum of 4,000 *l.* was recovered on account of Marine Insurance.
11	Owing to there having been a larger number of Students at the College than was expected.
12	Of the increase, 11,807 *l.* occurs under the head of Indian Troop Service, and is mainly due to receipts from the Admiralty for the employment of the Troop Ships on Imperial Service.

No. 7.—Comparison of the Estimated and Actual Receipts and Disbursements

RECEIPTS—*continued.*	1886-87. Budget Estimate, March 1886.	1886-87. Account.	Increase.	Decrease.	
	£.	£.	£.	£.	
Brought forward - - -	178,900	237,651			
DEBT:					
PERMANENT DEBT:					
India 3 per Cent. Stock: Money raised by the issue of - - -	5,000,000	5,207,446	207,446	- -	1
India 3½ per Cent. Stock, created under Acts 44 & 45 Vict. c. 53, and 48 & 49 Vict. c. 25, s. 25:					
In redemption of 120 *l.* 12 *s.* 6 *d.* of the East Indian Railway Annuity - - - - - - - - - - - -	- -	2,925	2,925	- -	2
In redemption of portion of the Scinde Punjab and Delhi Railway Annuity - - - - - - - - - - - -	4,844,200	4,911,621	67,421	- -	3
	9,844,200	10,121,992			
DEPOSITS AND ADVANCES:					
REPAYMENT OF ADVANCES:					
Repayment of Disbursements in England for purchase of Malt Liquor on behalf of the Imperial Government, &c. - - - -	3,000	3,768	768	—	4
MISCELLANEOUS DEPOSITS:					
Unclaimed Interest repaid by the Eastern Bengal, and Scinde Punjab and Delhi Railway Companies, and by the Madras Irrigation and Canal Company, in consequence of the purchase of the several Undertakings by the State - - - - - - -	- -	9,812	9,812	- -	5
	3,000	13,580			
CAPITAL RECEIPTS FROM RAILWAY COMPANIES:					
On account of Subscribed Capital - - - - - - -	2,058,200	4,135,372	2,077,172	- -	6
On account of Transfer Fees and Miscellaneous Refunds -	- -	4,439	4,439	- -	7
	2,058,200	4,139,811			
REMITTANCE ACCOUNT BETWEEN ENGLAND AND INDIA:					
Repayments by Her Majesty's Treasury and other Public Departments, in respect of—					
Expenses attending the employment of Indian Native Troops in the Soudan and Nubia - - - - - - - - - - -	50,000	75,857	25,857	- -	8
Advances in India on account of Emigration of Coolies, Chelsea Outpensioners paid in India, Supplies to Her Majesty's Ships on the East India Station, &c. - - - - - - - - - -	120,000	113,440	- -	6,560	9
Estates remitted from India by Administrators General by means of Bills on London - - - - - - - - - - - - -	20,000	23,035	3,035	- -	10
East Indian Railway Company: Transfer Fees and Miscellaneous Refunds	500	973	473	—	11
Miscellaneous Receipts - - - - - - - - - - - -	2,000	21,554	19,554	- -	12
Bills of Exchange and Telegraphic Transfers on India - - - -	13,331,400	12,136,279	- -	1,195,121	13
	13,523,900	12,371,138			
Total Receipts - - - £.	25,608,200	26,884,172			

of the Home Treasury of the Government of *India*, for the Year 1886-87—*continued.*

	EXPLANATIONS OF INCREASE OR DECREASE.
1	An even sum of 6,000,000 *l.* Stock was issued, and was subscribed for at an average price of 87 *l.* 4 *s.* 2 *d.* per cent.
2	When the Budget Estimate was framed, it was anticipated that this transaction would have been completed in the year 1885-86.
3	The Budget Estimate was framed on imperfect information received from the Company.
5	Exceptional Receipts.
6	The arrangements with the Bengal-Nagpur Railway Company, from whom 1,655,674 *l.* was received, were only concluded in February 1887. The further sums not comprised in the Budget Estimate were 122,448 *l.* from the Indian Midland Railway Company, 205,250 *l.* from the Southern Mahratta Railway Company, 174,300 *l.* from the Great Indian Peninsula Railway Company, 47,000 *l.* from the South Indian Railway Company, and 20,000 *l.* from the Rohilkund and Kumaon Railway Company. On the other hand, the receipts from the Madras, and the Oude and Rohilkund Railway Companies fell short of the Estimate by 140,000 *l.* and 7,500 *l.* respectively.
7	These receipts are very uncertain and generally small, and consequently they are not provided for in the Budget Estimate.
8	The accounts received from India enabled a larger amount to be recovered than had been estimated.
9	The decrease is more than accounted for in the repayment of advances on account of Coolie Emigration.
10	The receipts on this account exceeded the average of recent years, on which the Budget Estimate was based.
12	The Account includes 18,439 *l.* on account of sales, &c., at the Colonial and Indian Exhibition.
13	The demand for Bills and Transfers was less than had been hoped; and, as money in excess of the Estimate was obtained from the Railway Companies, the sale was not pressed.

No. 7.—Comparison of the Estimated and Actual Receipts and Disbursements

DISBURSEMENTS. EXPENDITURE:	1886-87. Budget Estimate, March 1886.	1886-87. Account.	Increase.	Decrease.	
	£.	£.	£.	£.	
LAND REVENUE:					
Law Charges in connection with Appeals from India	400	- -	- -	400	1
Stores for India	200	1,094	894	- -	2
OPIUM:					
Stores for India	1,600	1,854	254	—	3
SALT:					
Stores for India	- -	7	7	—	4
STAMPS:					
Stores for India	51,900	44,470	- -	7,430	5
EXCISE:					
Stores for India	- -	161	161	—	6
FOREST:					
Expenses attending the instruction of successful Candidates for the Indian Forest Department, &c.	2,300	2,436	136	—	7
Stores for India	100	- -	- -	100	8
INTEREST ON DEBT (EXCLUDING THAT CHARGED TO RAILWAYS):					
Interest on Loans contracted in England	2,572,500	2,567,377	- -	5,123	9
Interest on the Indian Transfer Loan of 22nd April 1854	22,500	22,406	- -	94	10
Discount Sinking Fund, in redemption of debt incurred in excess of money raised	8,000	7,192	- -	808	11
INTEREST ON OTHER OBLIGATIONS:					
Interest on Deposits in Regimental Savings Banks of Men returned from India	1,000	218	- -	782	12
POST OFFICE:					
Payments under the Postal arrangement with the Lords of Her Majesty's Treasury	68,000	68,000	—	—	13
Stores for India	46,100	49,125	3,025	- -	14
TELEGRAPH:					
Indo-European Telegraph	18,200	17,313	- -	887	15
Red Sea and India Telegraph	18,000	18,027	27	—	16
Indian Telegraph Department: Absentee Allowances and Contingent Expenses	8,000	6,208	- -	1,792	17
Telegraph Lines in India: Stores for India	100,000	70,223	- -	29,777	18
MINT:					
Stores for India	6,800	6,598	- -	202	19
Other Payments	- -	88	88	—	20
GENERAL ADMINISTRATION:					
Home Establishments, &c.	236,600	228,182	- -	8,418	21
Payments on account of Administration in India	3,900	4,410	510	—	22
Stores for India	16,100	15,656	- -	444	23
LAW AND JUSTICE:					
Stores for India	300	154	- -	146	24
Other Payments	1,700	913	- -	787	25
MARINE:					
Contribution towards the Expenses of Her Majesty's Ships employed in the Indian Seas	70,000	70,000	—	—	26
Sundry items	2,000	4,544	2,544	- -	27
Stores for India	140,500	155,958	15,458	- -	28
EDUCATION:					
Passage to India of Educational Officers on appointment, &c.	200	440	240	- -	29
ECCLESIASTICAL:					
Passage to India of Chaplains on appointment	300	300	—	—	30
MEDICAL:					
Expenses of the Royal India Lunatic Asylum, Maintenance of Lunatics elsewhere, &c.	7,600	7,169	- -	431	31
POLITICAL:					
Mission to the Court of Persia	10,000	10,000	—	—	32
Her Majesty's Establishments in China	15,000	15,000	—	—	33
Sundry items	2,000	1,593	- -	407	34
Stores for India	300	3,232	2,932	- -	35
SCIENTIFIC AND OTHER MINOR DEPARTMENTS:					
Stores for India	9,200	9,217	17	—	36
Other Payments	11,000	11,125	125	—	37
Carried forward £.	3,452,300	3,420,690			

of the Home Treasury of the Government of *India*, for the Year 1886-87—*continued.*

	EXPLANATIONS OF INCREASE OR DECREASE.
1	No payment on this account was made within the year.
2	When the Budget Estimate was framed, it was expected that this sum would be paid in 1885-86.
5	The demands were smaller than had been indicated in the Estimates received from India.
9	The sum of 5,000 *l.* was included in the Budget Estimate for Interest on Temporary Loans, but no Temporary Loans were required in the year.
11	The Discount on the issue of 6,000,000 *l.* 3 per Cent. Stock in May 1886 was less than had been estimated.
14	The Budget Estimate, which was based on information received from India, proved to have been too small.
15	The decrease occurs mainly in payments for Stores.
17	The decrease occurred in the Absentee Allowances.
18	The demands were smaller than had been anticipated.
21	There was a decrease of 2,218 *l.* in Salaries and of 1,680 *l.* in the Charges of the Store Department, mainly owing to the transfer to the Inland Revenue Department of the manufacture of Stamps for India, and to the fact that no payment to that Department was made in 1886-87. Decreases also occurred of 2,099 *l.* in Telegrams to India, 1,068 *l.* in Management of Debt, 678 *l.* in Law Charges, and 805 *l.* in Office Contingencies.
23	The demand for Currency Notes was smaller than had been expected.
25	In the Budget Estimate 1,500 *l.* was provided for Outfit Allowances for three Judges, whereas the only Outfit Allowance paid within the year was that of one Chief Justice (800 *l.*).
27	The increase is more than accounted for by miscellaneous expenses in connection with the new Indian Government steamers, "Lawrence," "Dalhousie," "Muzbee," and "Tamil."
28	An unforeseen demand arose for two stern-wheel steamers for Burmah, which accounts for this increase.
29	Mainly owing to payments on account of the new Indian Government Scholarships.
34	The Budget Estimate provided for a sum of 1,000 *l.* being placed at the disposal of the Secretary of State for India for Secret Service, but it was not required. On the other hand, the Account includes expenses in connection with the Afghan Boundary Commission which were not anticipated.
35	The Account includes 2,972 *l.*, the cost of presentation articles bought by Mr. Macaulay for use in connection with his intended mission to Thibet.

No. 7.—Comparison of the Estimated and Actual Receipts and Disbursements

DISBURSEMENTS—*continued.* **Expenditure**—*continued.*	1886-87. Budget Estimate, March 1886.	1886-87. Account.	Increase.	Decrease.	
	£.	£.	£.	£.	
Brought forward	3,452,300	3,420,690			
TERRITORIAL AND POLITICAL PENSIONS:					
His Highness Maharajah Duleep Singh	21,100	17,387	-	3,713	1
Members of the Bengal Nizamut Family	1,000	900	-	100	2
CIVIL FURLOUGH AND ABSENTEE ALLOWANCES	220,000	187,742	-	32,258	3
SUPERANNUATION ALLOWANCES AND PENSIONS	1,608,000	1,575,929	-	32,071	4
STATIONERY AND PRINTING:					
Stationery, Printing, and Bookbinding, for the India Office, &c.	8,000	10,194	2,194	-	5
Stores for India	88,300	81,632	-	6,668	6
MISCELLANEOUS:					
Examination Expenses and Allowances of Candidates for the Civil Service of India, &c.	18,500	19,826	1,326	-	7
Miscellaneous Charges connected with the Supply of Stores to India	10,000	10,572	572	—	8
RAILWAY REVENUE ACCOUNT:					
STATE RAILWAYS—INTEREST ON DEBT:					
East Indian Railway	348,600	348,420	-	180	9
Eastern Bengal Railway	43,400	43,367	-	33	10
Scinde Punjab and Delhi Railway	125,900	174,262	48,362	-	11
STATE RAILWAYS—ANNUITIES IN PURCHASE OF RAILWAYS (INCLUDING SINKING FUNDS):					
East Indian Railway	1,159,400	1,159,626	226	—	12
Eastern Bengal Railway	120,500	120,519	19	—	13
Scinde Punjab and Delhi Railway	445,900	397,555	-	48,345	14
STATE RAILWAYS—INTEREST ON CAPITAL DEPOSITED BY COMPANIES:					
Bengal Central Railway	27,500	31,448	3,948	-	15
Indian Midland Railway	108,000	110,323	2,323	-	16
Southern Mahratta Railway	201,000	201,860	860	-	17
GUARANTEED COMPANIES—INTEREST	2,690,600	2,696,976	6,376	-	18
IRRIGATION:					
MINOR WORKS AND NAVIGATION:					
Stores for India	2,100	1,396	-	704	19
BUILDINGS AND ROADS:					
MILITARY WORKS:					
Stores for India	2,300	1,908	-	392	20
CIVIL WORKS AND MISCELLANEOUS SERVICES:					
Furlough Pay and Allowances of Officers in the Public Works Department	47,000	53,994	6,994	-	21
Royal Indian Engineering College	22,500	23,029	529	-	22
Sundry items	7,000	8,049	1,049	-	23
Stores for India	800	1,009	209	—	24
ARMY:					
Effective.					
Home Charges of British Forces serving in India	865,000	784,971	-	80,029	25
Furlough Allowances of Officers of the Indian Service	170,000	173,607	3,607	—	26
Indian Troop Service	322,500	295,243	-	27,257	27
Passage of Officers and Troops otherwise than in Troop Ships	4,700	6,422	1,722	-	28
Miscellaneous	17,900	39,080	21,180	-	29
Stores for India	589,100	487,278	-	101,822	30
Non-Effective.					
Retired Pay, &c., of British Forces, on account of service in India	156,000	136,227	-	19,773	31
Pay and Pensions of Non-Effective and Retired Officers of the Indian Service	1,500,000	1,533,553	33,553	-	32
Gratuity, equal to the value of his Commission, granted to an Officer of a British (formerly Indian) regiment, on his retirement from the Service	-	1,362	1,362	-	33
Miscellaneous Pensions, &c. (formerly described as Lord Clive's Fund)	100,000	98,141	-	1,859	34
Indian Military Service Family Pensions	8,000	8,282	282	—	35
SPECIAL DEFENCE WORKS:					
INDIA:					
Stores for India	-	143,541	143,541	-	36
ADEN: Moiety chargeable against Indian Revenues—					
Of the cost of Stores supplied	-	3,227	3,227	-	37
Of other Payments	-	402	402	-	38
TOTAL EXPENDITURE CHARGEABLE AGAINST REVENUE carried forward	£. 14,512,900	14,409,949			

of the Home Treasury of the Government of *India*, for the Year 1886-87—*continued.*

	EXPLANATIONS OF INCREASE OR DECREASE.
1	The whole of the Maharajah's stipend was not drawn. The payments include 1,424 *l.* for his expenses to Aden and back.
3 4	These decreases are largely owing to the change in the date of payment of certain Allowances and Pensions from 25th March to 1st April, thus postponing to the year 1887-88 payments which would otherwise have been made in 1886-87.
5	The payments include certain arrears which were due to the Stationery Office.
6	The indents from Bombay fell short of the estimate received for that Presidency.
7	The increase occurred in the miscellaneous expenditure included under this head, and is more than accounted for by a payment in discharge of East India Stock unclaimed since April 1874.
11	When the Budget Estimate was framed, the arrangements for the exchange of portions of the Scinde Punjab and Delhi Railway Annuity for India 3½ per Cent. Stock were not completed, and the accurate distribution of the payments under the heads of "Interest on Debt" and "Annuities" could not be determined.
14	*See* explanation against increase above.
15	When the Budget Estimate was framed, it was expected that this sum would be paid in 1885-86.
16 17 18	Owing to further receipts on account of Capital.
21	The increase occurred in the payments to Military Officers.
22	Owing to the arrangements made for the education of Forest Students at the College.
23	The increase occurred in the payments on account of Assistant Engineers undergoing a practical course of instruction.
25	The payments to the Imperial Government during the year on account of the cost of augmenting the British Army in India were less than had been estimated.
27	The decrease was mainly due to savings on the contract for new machinery for the "Malabar," and to the postponement of some payments on that account to the year 1887-88.
28	Owing to a larger number of Officers than was estimated having to be provided with passages otherwise than in troopships.
29	The Account includes a payment of 3,921 *l.* for gratuities for service in the expedition to Egypt in 1882, and additional payments of 16,148 *l.* for the purchase of horses. The remainder of the increase is mainly owing to allowances paid to Officers studying the Russian language.
30	There is a decrease of 146,772 under Ordnance, mainly owing to the postponement of the purchase of new rifles, of 12,197 *l.* under Malt Liquor, and of 2,393 *l.* under Medical. On the other hand there is an increase of 60,176 *l.* under Clothing.
31	The estimate was based on information received from the War Office, and proved to be too high.
32	Sufficient provision was not made in the Budget Estimate for the retirements which took place during the year.
33	An exceptional payment.
36 37 38	The payments on account of Special Defence Works were, in the Budget Estimate, provided for under "Expenditure not charged to Revenue."

No. 7.—Comparison of the Estimated and Actual Receipts and Disbursements

DISBURSEMENTS—*continued.*	1886-87. Budget Estimate, March 1886.	1886-87. Account.	Increase.	Decrease.	
	£.	£.	£.	£.	
Brought forward	14,512,900	14,409,949			
EXPENDITURE NOT CHARGED TO REVENUE:					
CAPITAL OUTLAY ON RAILWAYS AND IRRIGATION WORKS:					
State Railways: Stores for India, &c.	1,800,000	1,321,074	- -	478,926	1
Irrigation Works: Stores for India	- -	2,009	2,009	- -	2
SPECIAL DEFENCE WORKS: Stores for India	155,000	- -	- -	155,000	3
CAPITAL CHARGE INVOLVED IN REDEMPTION OF LIABILITIES:					
East Indian Railway: Redemption of 120 *l.* 12 *s.* 6 *d.* of the Annuity by the issue of India 3½ per Cent. Stock	- -	2,925	2,925	- -	4
Scinde Punjab and Delhi Railway: Redemption of portion of the Annuity by the issue of India 3½ per Cent. Stock	4,844,200	4,911,621	67,421	- -	5
	6,799,200	6,237,629			
DEBT:					
PERMANENT DEBT DISCHARGED:					
India 5 per Cent. Stock	- -	320	320	—	6
Eastern Bengal Railway Debentures due 12th July 1886	409,700	409,700	—	—	7
East Indian Railway Debentures	- -	1,000	1,000	- -	8
	409,700	411,020			
DEPOSITS AND ADVANCES:					
ADVANCES REPAYABLE: For purchase of Malt Liquor on behalf of the Imperial Government, &c.	3,000	2,651	- -	349	9
Moiety of Expenditure in England on account of Defence Works at Aden, recoverable from the Imperial Government	- -	3,629	3,629	- -	10
	3,000	6,280			
PAYMENTS TO RAILWAY COMPANIES ON CAPITAL ACCOUNT:					
For Discharge of Debentures	1,458,200	1,417,800	- -	40,400	11
On account of Stores, Establishment Charges, &c.	2,028,100	1,594,076	- -	434,024	12
	3,486,300	3,011,876			
REMITTANCE ACCOUNT BETWEEN ENGLAND AND INDIA:					
Payments to Her Majesty's Treasury and other Public Departments on account of Postal and Money Order transactions, &c	243,000	174,570	- -	68,430	13
Discharge of the Principal of the Indian Transfer Loan of 22nd April 1854	1,128,800	1,125,972	- -	2,828	14
Balance due to the Agents of the Madras Civil Fund, on its being closed	- -	2,441	2,441	- -	15
Family Remittances, Remittances by Administrators General, &c.	365,000	417,989	52,989	- -	16
East Indian Railway Company: Advances for purchase of Stores, &c.	450,000	330,948	- -	119,052	17
Rajputana-Malwa Railway: Advances for purchase of Stores, &c.	165,000	56,598	- -	108,402	18
Stores chargeable to Provincial and Local Funds, and to Native States	159,500	64,458	- -	95,042	19
Miscellaneous Payments to be brought to charge or recovered in India	200,000	80,198	- -	119,802	20
	2,711,300	2,253,174			
Total Disbursements £.	27,922,400	26,329,928			

India Office, 11 May 1888.

of the Home Treasury of the Government of *India*, for the Year 1886–87—*continued.*

	EXPLANATIONS OF INCREASE OR DECREASE.
1	The demands for Railway Stores were much smaller than had been indicated in the Estimates received from India.
2	An unforeseen demand.
3	The expenditure during the year on Special Defence Works has, in the Account, been charged against Revenue.
4	*See* explanations against the corresponding sums among the Receipts under "Permanent Debt."
5	
8	These debentures had remained unclaimed since 1871.
10	The moiety borne by India has been charged against Revenue under "Special Defence Works."
11	The difference is the amount of the Debentures of the Great Indian Peninsula Railway Company which were renewed; had they been paid off, and fresh debentures issued, the receipts from that Company would have shown an increase of 214,700 *l.* instead of 174,300 *l.*, as stated in the explanation against Capital Receipts from Railway Companies.
12	The Estimates are framed in communication with the Railway Companies, and are liable to great fluctuations.
13	The decrease occurred mainly in the payments on account of Indian Money Orders, which have been much reduced since 1885.
14	The sum of 2,812 *l.* remained unclaimed on this account on the 31st March 1887. The difference of 16 *l.* is owing to the Budget Estimate not showing fractions of 100 *l.*
15	When the Budget Estimate was prepared, it was expected that this balance would be paid in 1885–86.
16	The increase occurred in Family Remittances, and was probably due to the fact that the rate of exchange for such remittances was much higher than the market rate.
17	The Estimates were furnished by the East Indian, and the Bombay Baroda and Central India Railway Companies.
18	
19	The demands for Railway Stores were much smaller than had been indicated in the Estimates received from India.
20	The decrease occurred in Bills drawn by the British Envoy at the Court of Persia on account of supplies to the Afghan Boundary Commission.

Henry Waterfield, Financial Secretary.

No. 8.

* ESTIMATED ACCOUNT of the RECEIPTS and DISBURSEMENTS of the HOME

RECEIPTS.

	£.	£.	£.
Balance, 1st April 1887			5,280,829
REVENUE:			
INTEREST:			
Interest realised from investment of Cash Balance, &c.		65,078	
TELEGRAPH:			
Indo-European Telegraph		11,206	
MINT:			
Proceeds of Sales of Indian Coins sent to this Country for Assay		19	
MEDICAL:			
Pensions, &c., of Inmates of the Royal India Lunatic Asylum, appropriated to their maintenance, &c.		2,663	
SCIENTIFIC AND OTHER MINOR DEPARTMENTS:			
Sale proceeds of Books, Maps, &c.		614	
RECEIPTS IN AID OF SUPERANNUATION ALLOWANCES AND PENSIONS:	£.		
Subscriptions, &c., to the Widows' Funds of the Home Establishment of the East India Company, and in respect of the India Office Provident Fund	10,972		
Subscriptions in respect of the Indian Civil, Military, and Medical Funds, and the Indian Navy Fund	93,059		
Subscriptions towards Indian Civil Service Family Pensions	87		
		104,118	
MISCELLANEOUS:			
Miscellaneous receipts connected with the supply of Stores to India, and sundry items		8,830	
RAILWAYS:			
STATE RAILWAYS:			
East Indian Railway: Rent of Premises occupied by the Company		230	
BUILDINGS AND ROADS:			
CIVIL WORKS AND MISCELLANEOUS SERVICES:			
Royal Indian Engineering College—Fees from Students, &c.		25,601	
ARMY:			
Effective.	£.		
Value of Clothing, Accoutrements, &c., in possession of Regiments on their transfer from the Indian to the British Establishment; proceeds of Sales of unserviceable Stores; receipts on account of the Indian Troop Service; recoveries on account of Messing, &c.	38,289		
Non-effective.			
Subscriptions towards Indian Military Service Family Pensions	4,872		
		43,161	
Carried forward £.		262,420	5,280,829

* This is an Account subject to audit and to the final adjustment of the accounts of Sub-Accountants.

No. 8.

TREASURY of the GOVERNMENT of *India*, from 1st April 1887 to 31st March 1888.

DISBURSEMENTS.

EXPENDITURE:

	£.	£.
LAND REVENUE:		
Law Charges in connection with Appeals from India	126	
Stores for India	7	
		133
OPIUM:		
Stores for India		941
SALT:		
Stores for India		55
STAMPS:		
Stores for India		54,338
EXCISE:		
Stores for India		5
CUSTOMS:		
Stores for India		20
FOREST:	£.	
Expenses attending the examination of Candidates for the Indian Forest Department, &c.	1,753	
Stores for India	5	
		1,758
INTEREST ON DEBT (EXCLUDING THAT CHARGED TO RAILWAYS):		
Interest on Loans contracted in England*	3,274,914	
Discount Sinking Fund, in redemption of debt incurred in excess of money raised	7,576	
Commission on conversion of India 4 per Cent. Stock into 3½ per Cent Stock	82,732	
		3,365,222
INTEREST ON OTHER OBLIGATIONS:		
Interest on Deposits in Regimental Savings Banks of men returned from India		287
POST OFFICE:	£.	
Payments under the Postal arrangement with the Lords of Her Majesty's Treasury	65,000	
Stores for India	49,940	
		114,940
TELEGRAPH:		
Indo-European Telegraph	21,135	
Red Sea and India Telegraph	18,027	
Indian Telegraph Department:—Absentee Allowances and Contingent Expenses	4,029	
	43,191	
Telegraph Lines in India—Stores for India	84,471	
		127,662
MINT:		
Stores for India	4,629	
Other Payments	62	
		4,691
GENERAL ADMINISTRATION:		
Home Establishments, &c.	248,667	
Payments on account of Administration in India	3,165	
	251,832	
Stores for India	16,038	
		267,870
LAW AND JUSTICE:		
Stores for India	151	
Other Payments	302	
		453
Carried forward £.		3,938,375

* Total Interest on Loans contracted in England is charged as follows:—

Under Interest on Ordinary Debt (as above)	£. 3,274,914
Under Railway Revenue Account (page 45)	552,080
	£. 3,826,994

No. 8.—ESTIMATED ACCOUNT of the Receipts and Disbursements of the Home Treasury

	£.	£.
Brought forward - - - -	262,420	5,280,829
RECEIPTS—*continued.*		
Carried forward - - - £.	262,420	5,280,829

of the Government of *India*, from 1st April 1887 to 31st March 1888—*continued.*

		£.
Brought forward		3,938,375
DISBURSEMENTS—*continued.*		
EXPENDITURE—*continued.*		
MARINE:	£.	
Contribution towards the Expenses of Her Majesty's Ships employed in the Indian Seas	70,735	
Sundry items	1,975	
	72,710	
Stores for India	69,738	
		142,448
EDUCATION:		
Advances to Indian Government Scholars, and Passage to India of an Educational Officer on appointment		624
ECCLESIASTICAL:		
Passage to India of Chaplains on appointment		550
MEDICAL:		
Expenses of the Royal India Lunatic Asylum, Maintenance of Lunatics elsewhere, &c.		6,848
POLITICAL:	£.	
Mission to the Court of Persia	10,000	
Her Majesty's Establishments in China	15,000	
Sundry items	5,407	
	30,407	
Stores for India	197	
		30,604
SCIENTIFIC AND OTHER MINOR DEPARTMENTS:		
Stores for India	10,951	
Other Payments	7,659	
		18,610
TERRITORIAL AND POLITICAL PENSIONS:		
His Highness Maharajah Duleep Singh	14,849	
Members of the Bengal Nizamut Family	900	
		15,749
CIVIL FURLOUGH AND ABSENTEE ALLOWANCES		215,560
SUPERANNUATION ALLOWANCES AND PENSIONS:		
Including 1,346,973 *l.* on account of Annuities, Pensions, and Allowances payable in respect of the Indian Civil, Military, and Medical Funds, and the Indian Navy Fund		1,597,840
STATIONERY AND PRINTING:	£.	
Stationery, Printing, and Bookbinding, for the India Office, &c.	6,522	
Stores for India	82,794	
		89,316
MISCELLANEOUS:		
Examination Expenses and Allowances of Candidates for the Civil Service of India, &c.	21,640	
Miscellaneous Charges connected with the supply of Stores to India	11,203	
		32,843
RAILWAY REVENUE ACCOUNT:		
STATE RAILWAYS—INTEREST ON DEBT:	£.	
East Indian Railway	346,414	
Eastern Bengal Railway	35,034	
Scinde Punjab and Delhi Railway	170,632	
		552,080
STATE RAILWAYS—ANNUITIES IN PURCHASE OF RAILWAYS (INCLUDING SINKING FUNDS):		
East Indian Railway	1,161,690	
Eastern Bengal Railway	120,577	
Scinde Punjab and Delhi Railway	401,189	
		1,683,456
STATE RAILWAYS—INTEREST ON CAPITAL DEPOSITED BY COMPANIES:		
Bengal Central Railway	32,542	
Bengal-Nagpur Railway	82,563	
Indian Midland Railway	118,252	
Southern Mahratta Railway	235,579	
		468,936
GUARANTEED COMPANIES—INTEREST		2,694,920
		5,399,392
Carried forward	£.	11,488,759

No. 8.—ESTIMATED ACCOUNT of the Receipts and Disbursements of the Home Treasury

	£.	£.
Brought forward - - - -	262,420	5,280,829
RECEIPTS—*continued.*		
TOTAL RECEIPTS ON ACCOUNT OF REVENUE - - - £.		262,420
Carried forward - - - £.		5,543,249

of the Government of *India*, from 1st April 1887 to 31st March 1888—*continued*.

			£.
		Brought forward	11,488,759
DISBURSEMENTS—*continued*.			
EXPENDITURE—*continued*.			
IRRIGATION:			
MINOR WORKS AND NAVIGATION:			
Stores for India			23
BUILDINGS AND ROADS:			
MILITARY WORKS:			
Stores for India		6,600	
CIVIL WORKS AND MISCELLANEOUS SERVICES:	£.		
Furlough Pay and Allowances of Officers in the Public Works Department	52,842		
Royal Indian Engineering College	26,672		
Sundry items	7,414		
	86,928		
Stores for India	5,937		
		92,865	
			99,465
ARMY:			
Effective.			
Home Charges of British Forces serving in India	735,647		
Furlough Allowances of Officers of the Indian Service	189,918		
Indian Troop Service	219,286		
Passage of Officers and Troops, otherwise than in Troop Ships	11,647		
Miscellaneous	30,274		
	1,186,772		
Stores for India	658,484		
		1,845,256	
Non-Effective.			
Retired Pay, &c., of British Forces, on account of service in India	194,961		
Pay and Pensions of Non-effective and Retired Officers of the Indian Service	1,597,171		
Miscellaneous Pensions, &c. (formerly described as Lord Clive's Fund)	96,665		
Indian Military Service Family Pensions	9,171		
		1,897,968	
			3,743,224
SPECIAL DEFENCE WORKS:			
INDIA:			
Stores for India		42,975	
ADEN:			
Moiety chargeable against Indian Revenues—	£.		
Of the Cost of Stores supplied	16,501		
Of other Payments	290		
		16,791	
			59,766
TOTAL EXPENDITURE CHARGEABLE AGAINST REVENUE		£.	15,391,237

EXPENDITURE NOT CHARGED TO REVENUE:

CAPITAL OUTLAY ON RAILWAYS AND IRRIGATION WORKS:			
STATE RAILWAYS:	£.		
Stores for India	1,065,648		
Payments to the Nizam's State Railways Company for construction of the Bezwada-Singareni Railway	29,221		
Salary and Expenses of Consulting Engineer and Staff, &c.	14,160		
		1,109,029	
IRRIGATION WORKS:			
Stores for India		6,919	
			1,115,948
Carried forward		£.	16,507,185

No. 8.—ESTIMATED ACCOUNT of the Receipts and Disbursements of the Home Treasury

		£.
Brought forward - - -		5,543,249

RECEIPTS—*continued.*

DEPOSITS AND ADVANCES:

	£.	
REPAYMENT OF ADVANCES:		
Repayment of Disbursements in England for purchase of Malt Liquor on behalf of the Imperial Government - - - - - - - - - - - - - - - -	2,288	
Repayment of Expenses in England in connection with the Employment of Indian Native Troops in the Soudan and Nubia, recoverable from the Imperial Government - - - -	103	
Repayment of Moiety of Expenditure in England, to the 31st March 1887, on account of Defence Works at Aden, recoverable from the Imperial Government - - - - - -	6,699	
		9,090

CAPITAL RECEIPTS FROM RAILWAY COMPANIES:

ON ACCOUNT OF SUBSCRIBED CAPITAL - - - - - - - - - - - - - -	5,564,153	
ON ACCOUNT OF TRANSFER FEES AND MISCELLANEOUS REFUNDS - - - - - -	29,715	
		5,593,868

REMITTANCE ACCOUNT BETWEEN ENGLAND AND INDIA:

	£.		
Repayments by Her Majesty's Treasury and other Public Departments, in respect of—			
Expenses attending the employment of Indian Native Troops in the Soudan and Nubia - - - - - - - - - - - - - - - -	30,160		
Advances in India on account of Emigration of Coolies, Chelsea Out-Pensioners paid in India, supplies to Her Majesty's Ships on the East India Station, &c.	156,408		
		186,568	
Estates remitted from India by Administrators General by means of Bills on London - - -		15,321	
East Indian Railway Company: Transfer Fees and Miscellaneous Refunds - - - - - -		906	
Rajputana-Malwa Railway: Miscellaneous refunds - - - - - - - - - -		19	
Miscellaneous Receipts - - - - - - - - - - - - - - - -		3,159	
Bills of Exchange and Telegraphic Transfers on India - - - - - - - - -		15,358,577	
			15,564,550
		£.	26,710,757

India Office, 11 May 1888.

For Statement showing New or Increased Salaries or Pensions

of the Government of *India*, from 1st April 1887 to 31st March 1888—*continued.*

		£.
Brought forward - - - -		16,507,185
DISBURSEMENTS—*continued.*		
DEPOSITS AND ADVANCES:		
ADVANCES REPAYABLE:	£.	
For purchase of Malt Liquor, on behalf of the Imperial Government - -	2,288	
Moiety of Expenditure in England on account of Defence Works at Aden, recoverable from the Imperial Government - - - - - - - -	6,151	
	8,439	
MISCELLANEOUS DEPOSITS:		
Portion of outstanding Interest, repaid by the Scinde Punjab and Delhi Railway Company on the purchase of their Undertaking by the State, claimed during the Year - - -	2,022	
		10,461
PAYMENTS TO RAILWAY COMPANIES ON CAPITAL ACCOUNT*:		
	£.	
FOR DISCHARGE OF DEBENTURES - - - - - - - - - - - - -	426,000	
ON ACCOUNT OF STORES, ESTABLISHMENT CHARGES, &c. - - - - - - - -	2,710,309	
		3,136,309
REMITTANCE ACCOUNT BETWEEN ENGLAND AND INDIA:		
	£.	
Payments to Her Majesty's Treasury and other Public Departments on account of Postal and Money Order Transactions, &c. - - - - - - - - - - - - -	152,472	
Discharge of the Principal of the Indian Transfer Loan of 22nd April 1854 - - - - - -	2,812	
Family Remittances, Remittances by Administrators General, &c. - - - - - - -	388,038	
East Indian Railway Company: Advances for purchase of Stores, &c. - - - - - - -	242,767	
Rajputana-Malwa Railway: Advances for purchase of Stores, &c. - - - - - - -	123,825	
Stores chargeable to Provincial and Local Funds, and to Native States - - - - - - -	151,817	
Miscellaneous Payments to be brought to charge or recovered in India - - - - -	95,190	
		1,156,921
TOTAL DISBURSEMENTS - - - - - £.		20,810,876
BALANCE, 31st March 1888 - -		5,899,881
£.		26,710,757

* Advances to the East Indian Railway Company, and advances to the Bombay Baroda and Central India Railway Company on account of the Rajputana-Malwa Railway, are treated as Remittances.

Thos. W. Keith, Accountant General.

granted or created within the year 1887–88, *see* page 50.

No. 9.

STATEMENT showing New or Increased SALARIES, ESTABLISHMENTS, or PENSIONS, granted or created in *England*, between 1st April 1887 and 31st March 1888.

SALARIES AND ESTABLISHMENTS.

	Increase or Decrease in 1888–89.	
	Increase.	Decrease.
	£.	£.
Accountant General's Department:		
One Junior Clerk—Personal Allowance	50	—
One Junior Clerk—Salary 100 *l.*, rising by 16 *l.* annually to 350 *l.* per annum. In lieu of—One Clerk specially attached—Salary 500 *l.* per annum. One Second Class Clerk—Salary 1st year 80 *l.*, 2nd year 90 *l.*, 3rd, 4th, and 5th years 100 *l.*, 6th year 125 *l.*, and thenceforward rising by 25 *l.* triennially to 250 *l.* per annum	—	484
Store Department—India Office Branch:		
One Second Class Clerk—Salary 80 *l.* rising by 15 *l.* triennially to 200 *l.* per annum	80	—
Miscellaneous Officers, &c.:		
Legal Adviser and Solicitor to the Secretary of State—Salary 1,200 *l.* per annum. In lieu of—Salary as Legal Adviser £. 700 per annum; Salary of his principal clerk (an appointment abolished) £. 550 „; £. 1,250	—	50
Surveyor and Clerk of the Works—Personal Allowance increased from 250 *l.* to 300 *l.* per annum	50	—
Increase arising from Periodical Increments	1,828	—
Net Decrease consequent on Appointments abolished, Vacancies, &c.	—	3,510
Increase owing to provision having been made in the Estimate for 1887–88 for payment to the Inland Revenue Department in respect of six months *only* for the Control and Superintendence of the Supply of Stamps for India.	1,473	—
£.	3,481	4,044

NET DECREASE, as shown on page 55 - - - £. 563.

SUPERANNUATION AND RETIRED ALLOWANCES.

DETAILS of INCREASE and DIMINUTION in 1888–89.

Name.	Rank.	Age.	Service.	Salary.	Cause.	Amount. Commenced.	Amount. Ceased.
SUPERANNUATION ALLOWANCES:		*Years.*	*Years.*	£. s. d.		£. s. d.	£. s. d.
Girard, S.	Second Class Messenger	—	—	— —	Dead	— —	20 — —
Vivian, General Sir R. J. H., G.C.B.	Member of the Council of India.	—	—	— —	ditto	— —	500 — —
Hobhouse, A. F.	Assistant, Correspondence Department.	60	37	1,000 — —	Age	666 13 4	—
Leach, W. T.	First Class Messenger	39	19	125 — —	Ill health (since dead).	38 6 1	38 6 1
Warren, J. J.	ditto	48	30	128 8 9	Ill health	85 19 2	—
				TOTAL £.		790 18 7	558 6 1

INCREASE - - - - - - - - - £. 232. 12. 6.

No. 9.—Statement showing New or Increased Salaries, &c.—Superannuation and Retired Allowances—*cont^d.*

Name.	Rank.	Age.	Service.	Salary.	Cause.	Amount. Commenced.	Amount. Ceased.
Compensation Allowances:		*Years.*	*Years.*	£. s. d.		£. s. d.	£. s. d.
Deffell, F.	Junior Clerk, Accountant General's Department.	–	–	– –	Dead	– –	204 – –
Scott, A.	Senior Clerk, Correspondence Department.	–	–	– –	ditto	– –	650 – –
Larminie, W.	Junior Clerk, Store Department, India Office Branch.	38	14	310 – –	Re-organisation	72 6 8	—
Treasure, H.	Principal Clerk to Legal Adviser.	70	10	550 – – and Fees averaging 200*l.* a year.	ditto	150 – –	—
				Total £.		222 6 8	854 – –
				Decrease £.			631. 13. 4.
Compassionate Allowances:							
Iden, T.	Labourer, India Store Depôt	–	–	– –	Dead	– –	13 – –
Letter, W.	– – – ditto	–	–	– –	ditto	– –	13 17 4
Slater, P.	Steam-Crane Man, India Store Depôt.	–	–	– –	ditto	– –	23 8 –
Beavers, R.	Labourer, India Store Depôt	Over 60	23	52 – –	Age	19 18 8	—
Garlick, W.	– – – ditto	55	20	57 4 –	Ill health	21 – 4	—
Holmes, J.	– – – ditto	55	20	52 – –	– ditto	19 1 4	—
Jackman, G.	– – – ditto	57	22	52 – –	– ditto	19 1 4	—
Leary, D.	– – – ditto	49	21	52 – –	– ditto	20 3 –	—
Morgan, S.	Third Class Foreman, India Store Depôt.	Over 60	28	78 – –	Age	36 8 –	—
Nash, H.	Van Driver, India Store Depôt.	52	23	78 – –	Ill health	32 18 8	—
Pedder, W. G., C.S.I.	Secretary, Revenue and Statistics Department.	55	8	1,200 – –	– ditto	(*a*)250 – –	—
Willers, W.	Labourer, India Store Depôt	Over 60	41	62 8 –	– ditto	41 12 –	—
				Total £.		460 3 4	50 5 4
				Increase £.			409. 18. –.
				Net Increase £.			10. 17. 2.

(*a*) Was also granted, on retirement from the Bombay Civil Service in 1879, an Annuity of 884*l.* 10*s.* 9*d.*

SUPERANNUATION AND RETIRED ALLOWANCES.

Estimated Charge for the Year 1888–89, including the Annual Amount of Pensions which have been Commuted.

	1888-89.	1887-88.	Increase.	Decrease.
	£.	£.	£.	£.
Superannuation Allowances	11,910	11,677	233	—
Compensation Allowances	25,960	26,592	–	632
Compassionate Allowances	2,164	1,754	410	—
£.	40,034	40,023	643	632
Net Increase £.				11.

Thos. W. Keith, Accountant General.

No. 10. - - - - - - - -

ACCOUNT showing the Total Amount of INDIAN DEBT raised in *England*, the Annual
the Debt and Charge created in the Year ended the 31st March 1888; the
of Debt, the Annual Charge thereof, and the Indian Railway Annuities, on the

	Capital of Debt.	Rate per Cent.	Annual Charge.		
			Interest and Annuity.	Management.	TOTAL.
TOTAL DEBT AND ANNUITIES ON THE 31ST MARCH 1887.	£. s. d.		£. s. d.	£. s. d.	£. s. d.
Debt bearing Interest:					
India 4 per Cent. Stock	53,261,820 5 7	4	2,130,472 16 3	18,109 – 4	2,148,581 16 7
India 3½ per Cent. Stock	11,398,017 12 2	3½	398,930 12 3	4,559 4 2	403,489 16 5
India 3 per Cent. Stock	12,748,548 1 2	3	382,456 8 10	5,099 8 5	387,555 17 3
India Debentures	5,000,000 – –	3½	175,000 – –	- - -	175,000 – –
East Indian Railway Debenture Stock	1,435,650 – –	4½	64,604 5 –	- - -	64,604 5 –
Eastern Bengal Railway Debenture Stock	348,666 – –	4	13,946 12 9	118 10 11	14,065 3 8
	84,192,701 18 11				
Debt not bearing Interest:					
India 5 per Cent. Stock	14,458 17 5				
East India Bonds	20,917 – –				
East Indian Railway Debentures	100 – –				
TOTAL Debt, and Annual Charge thereof, on 31st March 1887	84,228,177 16 4		3,155,410 15 1	27,886 3 10	3,193,296 18 11
Indian Railway Annuities.					
East Indian Railway:					
Annuity terminating in 1953	- - -	–	850,537 18 10	- - -	850,537 18 10
Interest in lieu of Deferred Annuity	- - -	–	262,000 – –	- - -	262,000 – –
Contribution towards Management, &c., in respect of the Annuity registered in the name of the Secretary of State	- - -	–	- - -	1,368 11 10	1,368 11 10
Eastern Bengal Railway:					
Annuity terminating in 1957	- - -	–	116,850 14 9	- - -	116,850 14 9
Contribution towards Pension Fund in respect of the Annuity registered in the name of the Secretary of State	- - -	–	- - -	140 3 7	140 3 7
Scinde Punjab and Delhi Railway:					
Annuity terminating in 1958	- - -	–	371,361 3 7	- - -	371,361 3 7
Contribution towards Pension Fund in respect of the Annuity registered in the name of the Secretary of State	- - -	–	- - -	317 – 8	317 – 8
TOTAL Indian Railway Annuities on 31st March 1887	- - -	–	1,600,749 17 2	1,825 16 1	1,602,575 13 3
			4,766,160 12 3	29,711 19 11	4,795,872 12 2
DEBT CREATED IN THE YEAR.					
Debt bearing Interest:					
India 3½ per Cent. Stock (issued in exchange for a like amount of India 4 per Cent. Stock)	48,858,013 7 1	3½	1,710,030 9 4	19,543 4 1	1,729,573 13 5
£.	133,086,191 3 5	–	6,476,191 1 7	49,255 4 –	6,525,446 5 7

No. 10.

Charge thereof, and the INDIAN RAILWAY ANNUITIES, on the 31st March 1887; Debt and Charge and the Annuities reduced in that Year; and the Total Amount 31st March 1888.

	Capital of Debt.	Rate per Cent.	Annual Charge. Interest and Annuity.	Management.	Total.
DEBT AND ANNUITY REDUCED IN THE YEAR.	£. s. d.		£. s. d.	£. s. d.	£. s. d.
Debt bearing Interest:					
India 4 per Cent. Stock, redeemed by the issue of a like amount of India 3½ per Cent. Stock	48,858,013 7 1	4	1,954,320 10 8	16,611 14 6	1,970,932 5 2
India 3½ per Cent. Stock, purchased with the Sinking Funds, pursuant to Act 42 & 43 Vict. c. 206, s. 51, and Act 44 & 45 Vict. c. 53, s. 2	80,566 9 10	3½	2,819 16 6	32 4 6	2,852 1 –
India 3½ per Cent. Stock, purchased with the Discount Sinking Fund - - - -	7,463 2 5	3½	261 4 2	2 19 9	264 3 11
	48,946,042 19 4		1,957,401 11 4	16,646 18 9	1,974,048 10 1
Indian Railway Annuity.					
Eastern Bengal Railway:					
Contribution towards Pension Fund in respect of the Annuity registered in the name of the Secretary of State, reduced - -	- - -	–	- - -	11 4 5	11 4 5
			1,957,401 11 4	16,658 3 7	1,974,059 14 6
TOTAL DEBT AND ANNUITIES ON THE 31ST MARCH 1888.*					
Debt bearing Interest:					
India 4 per Cent. Stock - - - - -	4,403,806 18 6	4	176,152 5 7	1,497 5 10	177,649 11 5
India 3½ per Cent. Stock - - - - -	60,168,001 7 –	3½	2,105,880 – 11	24,067 4 –	2,129,947 4 11
India 3 per Cent. Stock - - - -	12,748,548 1 2	3	382,456 8 10	5,099 8 5	387,555 17 3
India Debentures - - - - - - -	5,000,000 – –	3½	175,000 – –	- - -	175,000 – –
East Indian Railway Debenture Stock - -	1,435,650 – –	4½	64,604 5 –	- - -	64,604 5 –
Eastern Bengal Railway Debenture Stock -	348,666 – –	4	13,946 12 9	118 10 11	14,065 3 8
	84,104,672 6 8				
Debt not bearing Interest:					
India 5 per Cent. Stock - - - - -	14,458 17 5				
East India Bonds - - - - - - -	20,917 – –				
East Indian Railway Debentures - - -	100 – –				
TOTAL Debt, and Annual Charge thereof, on 31st March 1888 -	84,140,148 4 1		2,918,039 13 1	30,782 9 2	2,948,822 2 3
Indian Railway Annuities.					
East Indian Railway:					
Annuity terminating in 1953 - - -	- - -	–	850,537 18 10	- - -	850,537 18 10
Interest in lieu of Deferred Annuity - -	- - -	–	262,000 – –	- - -	262,000 – –
Contribution towards Management, &c., in respect of the Annuity registered in the name of the Secretary of State - -	- - -	–	- - -	1,368 11 10	1,368 11 10
Eastern Bengal Railway:					
Annuity terminating in 1957 - - -	- - -	–	116,850 14 9	- - -	116,850 14 9
Contribution towards Pension Fund in respect of the Annuity registered in the name of the Secretary of State - - - - -	- - -	–	- - -	128 19 2	128 19 2
Scinde Punjab and Delhi Railway:					
Annuity terminating in 1958 - - -	- - -	–	371,361 3 7	- - -	371,361 3 7
Contribution towards Pension Fund in respect of the Annuity registered in the name of the Secretary of State - - - - -	- - -	–	- - -	317 – 8	317 – 8
TOTAL Indian Railway Annuities on 31st March 1888 - - -	- - -	–	1,600,749 17 2	1,814 11 8	1,602,564 8 10
			4,518,789 10 3	32,597 – 10	4,551,386 11 1
£.	133,086,191 3 5	–	6,476,191 1 7	49,255 4 –	6,525,446 5 7

* For Analysis, *see* following page.

ANALYSIS of the Amount of INDIAN DEBT raised in *England*, the Annual Charge thereof, and INDIAN RAILWAY ANNUITIES, outstanding on the 31st March 1888.

	Capital of Debt.		Rate per Cent.	Annual Charge.		
				Interest and Annuity.	Management.	TOTAL.
Debt, exclusive of that incurred in respect of the under-mentioned Railways.	£. s. d.	£. s. d.		£. s. d.	£. s. d.	£. s. d.
Bearing Interest:						
India 3½ per Cent. Stock	51,996,288 11 4		3½	1,819,870 2 –	20,798 10 4	1,840,668 12 4
India 3 per Cent. Stock	12,500,000 – –		3	375,000 – –	5,000 – –	380,000 – –
India Debentures	5,000,000 – –		3½	175,000 – –	– – –	175,000 – –
	69,496,288 11 4					
Not bearing Interest:						
India 5 per Cent. Stock	14,458 17 5					
East India Bonds	20,917 – –					
		69,531,664 8 9	–	2,369,870 2 –	25,798 10 4	2,395,668 12 4
Debt incurred and Annuity created in respect of the East Indian Railway.						
Debt bearing Interest:						
India 4 per Cent. Stock	4,403,806 18 6		4	176,152 5 7	1,497 5 10	177,649 11 5
India 3½ per Cent. Stock	2,718,476 3 8		3½	94,971 13 4	1,085 7 10	96,057 1 2
India 3 per Cent. Stock	247,840 1 2		3	7,435 4 –	99 2 9	7,534 6 9
East Indian Railway Debenture Stock	1,435,650 – –		4½	64,604 5 –	– – –	64,604 5 –
	8,800,773 3 4					
Debt not bearing Interest:						
East Indian Railway Debentures	100 – –					
		8,800,873 3 4	–	343,163 7 11	2,681 16 5	345,845 4 4
Annuity:						
Annuity terminating in 1953	– – –	– – –	–	850,537 18 10	– – –	850,537 18 10
Interest in lieu of Deferred Annuity	– – –	– – –	–	262,000 – –	– – –	262,000 – –
Contribution towards Management, &c., in respect of the Annuity registered in the name of the Secretary of State	– – –	– – –	–	– – –	1,368 11 10	1,368 11 10
				1,112,537 18 10	1,368 11 10	1,113,906 10 8
				1,455,701 6 9	4,050 8 3	1,459,751 15 –
Debt incurred and Annuity created in respect of the Eastern Bengal Railway.						
Debt bearing Interest:						
India 3½ per Cent. Stock	600,639 17 5		3½	21,022 7 11	240 5 1	21,262 13 –
India 3 per Cent. Stock	708 – –		3	21 4 10	– 5 8	21 10 6
Eastern Bengal Railway Debenture Stock	348,666 – –		4	13,946 12 9	118 10 11	14,065 3 8
		950,013 17 5	–	34,990 5 6	359 1 8	35,349 7 2
Annuity:						
Annuity terminating in 1957	– – –	– – –	–	116,850 14 9	– – –	116,850 14 9
Contribution towards Pension Fund in respect of the Annuity registered in the name of the Secretary of State	– – –	– – –	–	– – –	128 19 2	128 19 2
				116,850 14 9	128 19 2	116,979 13 11
				151,841 – 3	488 – 10	152,329 1 1
Debt incurred and Annuity created in respect of the Scinde Punjab and Delhi Railway.						
Debt bearing Interest:						
India 3½ per Cent. Stock	– – –	4,857,596 14 7	3½	170,015 17 8	1,943 – 9	171,958 18 5
Annuity:						
Annuity terminating in 1958	– – –	– – –	–	371,361 3 7	– – –	371,361 3 7
Contribution towards Pension Fund in respect of the Annuity registered in the name of the Secretary of State	– – –	– – –	–	– – –	317 – 8	317 – 8
				371,361 3 7	317 – 8	371,678 4 3
				541,377 1 3	2,260 1 5	543,637 2 8
	£.	84,140,148 4 1	–	4,518,789 10 3	32,597 – 10	4,551,386 11 1

Thos. W. Keith, Accountant General.

No. 11.

LIST of the ESTABLISHMENT of the SECRETARY of STATE in COUNCIL of *India*; and ESTIMATE of the AMOUNT required in the Year ending 31st March 1889, to pay the SALARIES and other EXPENSES of the INDIA OFFICE, and of the OFFICE of the AUDITOR of the ACCOUNTS of the SECRETARY of STATE in COUNCIL.

	1888-89.	1887-88.	INCREASE.	DECREASE.
INDIA OFFICE.	£.	£.	£.	£.
SALARIES, WAGES, AND ALLOWANCES	150,973	151,536	- -	563
POSTAGE OF DESPATCHES TO AND FROM INDIA	4,000	4,000	—	—
TELEGRAMS TO INDIA	5,000	7,500	- -	2,500
LAW CHARGES	600	600	—	—
CONTINGENCIES	11,300	11,600	- -	300
CONTINGENCIES OF THE STORE DEPÔT	13,318	13,089	229	—
OFFICE OF AUDITOR.				
SALARIES AND ALLOWANCES	6,435	6,312	123	—
CONTINGENCIES (INCLUDED IN THOSE OF THE INDIA OFFICE)	—	—	—	—
	191,626	194,637	352	3,363
	NET DECREASE - - -			£. 3,011.
SUPERANNUATION AND RETIRED ALLOWANCES	40,034*	40,023*	11	—

* Estimated Charge for the Year, including the annual amount of Pensions which have been commuted.

Cost of Stationery, Printing, and Bookbinding, for the Year 1886–87 - - - £. 6,860.

INDIA OFFICE.

SUMMARY of SALARIES, WAGES, and ALLOWANCES.

Numbers. 1887-88.	Numbers. 1888-89.		1888-89.	1887-88.	INCREASE.	DECREASE.
			£.	£.	£.	£.
19	19	Secretary of State, Permanent Under Secretary of State, Parliamentary Under Secretary of State, Assistant Under Secretary of State and Clerk to Council, and 15 Members of Council	27,700	27,700	—	—
46	50	Correspondence Department	33,137	33,005	132	—
4	7	Funds Department	2,844	2,368	476	—
48	47	Accountant General's Department	15,767	15,954	—	187
41	31	Registry and Record Department	8,770	10,459	—	1,689
8	9	Miscellaneous Officers, &c.	4,958	4,148	810	—
12	11	Miscellaneous Officers and Clerks not on the Permanent Establishment	4,929	5,830	—	901
23	25	Clerks temporarily employed at the India Office	3,152	2,842	310	—
64	64	Office Keepers and Messengers	6,473	6,542	—	69
32	32	Housekeeper, Housemaids, and Charwomen	1,328	1,324	4	—
21	19	Artificers and Labourers employed at the India Office	1,627	1,689	—	62
301	303	Store Department: India Office Branch, Branch at the India Store Depôt, Miscellaneous Officers at the Store Depôt not on the Permanent Establishment, Clerks temporarily employed in the Store Department, Artificers and Labourers employed at the Store Depôt, Labourers temporarily employed at the Store Depôt, Examiners and Tellers employed by the Inland Revenue Department in connection with the supply of Stamps for India	40,288	39,675	613	—
619	617	£.	150,973	151,536	2,345	2,908
			NET DECREASE - - -			£. 563.

No. 11.—Establishment of the Secretary of State in Council of *India*, &c.—*continued.*

Details of the Foregoing.

Numbers.		Salaries, Wages, and Allowances.	Salary of Office.			1888-89.	1887-88.
1887-88.	1888-89.		Minimum.	Annual Increment.	Maximum.		
		Secretary of State, &c.	£.	£.	£.	£.	£.
1	1	Secretary of State				5,000	5,000
1	1	Permanent Under Secretary of State				2,000	2,000
1	1	Parliamentary Under Secretary of State				1,500	1,500
1	1	Assistant Under Secretary of State and Clerk to Council				1,200	1,200
15	15	Members of Council at 1,200 *l.* each (1)				18,000	18,000
19	19				£.	27,700	27,700

(1) Five also receive Indian Civil Service Annuities of 1,000 *l.* each; one, an Indian Judicial Pension of 1,500 *l.* a year; two, Indian Military Non-Effective Pay at 25 *s.* a day, and Colonel's Allowance at 668 *l.* 12 *s.* 5 *d.* a year each; one, Indian Military Retired Pay at 25 *s.* a day, and a good Service Pension of 100 *l.* a year; two, Indian Military Retired Pay at 1 *l.* and 10 *s.* 6 *d.* a day respectively; and two, Pay in respect of service in the British Army.

		Correspondence Department.					
6	6	Secretaries, at 1,200 *l.* each (2)				8,000	8,000
7	7	Assistants (3)	800	25	1,000	6,542	6,650
1	—	*Redundant Assistant*	*700*	*25*	*900*	—	*806*
			(with an extra 100 l. if he should become one of the 3 Senior Assistants.)				
1	1	Special Assistant and Visitor to India Museum (4)				800	800
10	11	Senior Clerks (5)	600	25	800	8,067	7,432
6	6	Redundant Senior Clerks	500	20	700	3,468	3,568
8	6	Junior Clerks (6)	200	20	600	2,600	3,363
1	1	Political Aide-de-Camp to the Secretary of State for India:					
		Salary				500	500
		Contingent Expenses				300	300
3	3	Clerks specially attached to the Political and Secret Department	150	10	250	734	714
1	1	Clerk for Examination of Army Non-Effective Accounts	300	10	400	332	322
1	1	Clerk to "Special Assistant and Visitor to India Museum" (7)				400	400
1	1	Technical Assistant to "Special Assistant and Visitor to India Museum"			120	150 Present Incumbent.	150
—	6	Second Class Clerks (8) (Transferred from Registry and Record Department.)	1st year, 80 *l.*; 2nd year, 90 *l.*; 3rd, 4th, and 5th years, 100 *l.*; 6th year, 125 *l.*, and thenceforward rising by 25 *l.* triennially to 250 *l.*			1,244	—
46	59				£.	33,137	33,005

(2) Two receive 1,800 *l.* and 1,400 *l.* respectively, which salaries are personal to the present holders; one Secretary also receives Indian Military Non-Effective Pay at 25 *s.* a day, and Colonel's Allowance at 668 *l.* 12 *s.* 5 *d.* a year; one, an Indian Judicial Pension of 1,200 *l.* a year; one, an Indian Civil Service Annuity of 1,000 *l.*; and one, Indian Military Pay at 20 *s.* a day.

(3) One receives 100 *l.* as Assistant Government Director of Indian Railway Companies.

(4) Also receives a pension of 270 *l.* a year for service in India.

(5) One receives 50 *l.* as Reading Clerk to Council.

(6) Three receive 150 *l.* each, as Private Secretaries to Under Secretaries of State, and as Assistant Private Secretary and Précis Writer to Secretary of State; one receives 60 *l.* as Compensation, until promoted, for superior appointments abolished; two receive 75 *l.*, and 50 *l.* respectively for editing the "India List"; one receives 50 *l.* for editing the "India Office List"; and two receive 50 *l.* each as Resident Clerks.

(7) Also receives an Indian Military Pension of 2 *s.* 6 *d.* a day.

(8) One receives "Duty Pay" at 100 *l.*, and an annual gratuity of 50 *l.*, for the preparation of a Sanitary Blue Book; and two receive 75 *l.* and 50 *l.* respectively for editing the "India List."

		Funds Department.					
1	1	Director of Funds and Agent to the Administrators General of India				1,000	1,100
		Allowance as Agent to the Administrators General				100	
		(One of the Senior Clerks of the Correspondence Department, whose salary, 800 *l.*, is charged under Correspondence Department above, is attached to the Funds Department.)					
1	1	Actuarial Clerk	350	15	500	444	429
1	1	Head Book-keeper	300	15	500	500	500
1	1	Assistant Book-keeper	200	15	350	350	339
—	3	Second Class Clerks (Transferred from Registry and Record Department.)	On the same scale of salary as in the Correspondence Department.			450	—
4	7				£.	2,844	2,368

No. 11.—Establishment of the Secretary of State in Council of *India*, &c.—*continued*.

Numbers. 1887–88.	Numbers. 1888–89.	Salaries, Wages, and Allowances —*continued*.	Salary of Office. Minimum.	Annual Increment.	Maximum.	1888–89.	1887–88.
		Accountant General's Department.	£.	£.	£.	£.	£.
1	1	Accountant General	–	–	–	1,200	1,200
1	1	Deputy Accountant General (1)	800	25	1,000	1,100	1,100
7	7	Senior Clerks (2) (3)	500	20	700	5,007	4,947
1	1	Supernumerary Senior Clerk (3)	500	20	700	603	583
1	–	*Clerk specially attached*	–	–	–	–	*500*
9	10	Junior Clerks (3) (4) (5) — 1 at	100	16	450	2,971	2,511
		9 at	100	16	350		
27	26	Second Class Clerks (3) (6)	On the same scale of salary as in the Correspondence Department			4,756	4,984
1	1	Keeper of Records	120	10 (triennially)	150	130	129
48	47				£.	15,767	15,954

(1) Receives a personal allowance of 100 *l.*
(2) Three receive extra allowances:—One of 100 *l.* and two of 50 *l.* each.
(3) Allowances for Income Tax duties are as follows:—Two Senior Clerks, 24 *l.* each; two Senior Clerks, 15 *l.* each; three Senior Clerks, 8 *l.* each; Supernumerary Senior Clerk, 8 *l.*; one Junior Clerk, 8 *l.*; three Junior Clerks and seven Second Class Clerks, 3 *l.* each; amounting in the aggregate to 148 *l.*, for which an allowance is made from Imperial Revenues.
(4) Two receive 60 *l.* each as compensation, until promoted, for superior appointments abolished; a similar allowance of 60 *l.* being in abeyance pending the absorption of the Supernumerary Senior Clerkship.
(5) One receives 300 *l.* as Private Secretary to the Secretary of State (charged under Miscellaneous Officers not on the permanent Establishment); and one a personal allowance of 50 *l.*
(6) Ten receive personal allowances; seven of 50 *l.* each to cease 25th December 1888; one of 45 *l.* to cease 29th September 1889; and two of 40 *l.* each to cease 24th June 1890.

		Registry and Record Department.					
1	1	Registrar and Superintendent of Records	–	–	–	1,000	1,000
4	4	Assistants to ditto (1) — 3 at	350	15	650	2,135	2,105
		1 at	–	–	400		
1	1	Extra Assistant to Registrar	450	15	650	650	650
1	1	Clerk for Geographical Records	–	–	–	500	500
29	19	Second Class Clerks (2)	On the same scale of salary as in the Correspondence Department			3,687	5,406
1	1	Clerk specially attached (3)	–	–	–	193	193
1	1	Keeper of Records (4)	–	–	150	175	175
1	1	Map Mounter	100	15	150	150	150
1	1	Press Writer (5)	–	–	150	170	170
1	1	Assistant Press Writer (6)	–	–	100	110	110
41	31				£.	8,770	10,459

(1) One receives a personal allowance of 100 *l.*
(2) Eight receive Duty Pay:—Four of 50 *l.* each, and four of 25 *l.* each. Ten Second Class Clerks have been transferred; six and three to the Correspondence and Funds Departments respectively, and one to Miscellaneous Officers, &c.
(3) Received from Imperial Revenues in October 1872 the commuted value of a Pension of 206 *l.* 13 *s.* 4 *d.*
(4) Receives a personal allowance of 25 *l.*
(5) Receives a personal allowance of 20 *l.*
(6) Receives a personal allowance of 10 *l.*

		Miscellaneous Officers, &c.					
1	1	Deputy Government Director of Indian Railway Companies (1)	–	–	–	700	700
1	1	Librarian (2)	–	–	600	800	800
1	1	Assistant to ditto	–	–	–	200	200
–	1	Second Class Clerk (transferred from Registry and Record Department)	On the same scale of salary as in the Correspondence Department			250	–
2	2	Members of the Medical Board for the examination of Officers of the Indian Services — one (3) at	–	–	–	600	600
		one (4) at	(Appointment held during furlough only.)			300	300
1	1	Legal Adviser and Solicitor to the Secretary of State (5)	–	–	–	1,200	700
1	1	Surveyor and Clerk of the Works (6)	300	10	400	700	650
1	1	Assistant to ditto	180	10	250	208	198
8	9				£.	4,958	4,148

(1) Also receives Indian Military Non-effective Pay at 25 *s.* a day, and Colonel's allowance at 668 *l.* 12 *s.* 5 *d.* a year.
(2) Receives a personal allowance of 200 *l.*
(3) Also receives an Indian Medical Pension of 365 *l.* a year, and an annuity of 300 *l.* from the Bengal Medical Retiring Fund.
(4) Also receives Indian Medical Furlough Pay at 25 *s.* a day.
(5) Also receives an Indian Judicial Pension of 900 *l.* a year.
(6) Receives a personal allowance of 300 *l.*

No. 11.—ESTABLISHMENT of the Secretary of State in Council of *India*, &c.—*continued.*

Numbers. 1887-88.	Numbers. 1888-89.	SALARIES, WAGES, AND ALLOWANCES —*continued.*	SALARY OF OFFICE. Minimum.	Annual Increment.	Maximum.	1888-89.	1887-88.
		MISCELLANEOUS OFFICERS AND CLERKS NOT ON THE PERMANENT ESTABLISHMENT.	£.	£.	£.	£.	£.
–(1)	–(1)	Private Secretary to the Secretary of State	–	–	–	300	300
1	1	Consulting Officer for the Indian Troop Service	–	–	–	1,000	1,000
1	1	Ordnance Consulting Officer for India (2)	–	–	–	500	500
1	1	Assistant Military Secretary for Indian Affairs at the Horse Guards (3)	–	–	–	1,300	1,300
1	1	Clerk to ditto	120	10	300	300	300
1	1	Indian Officer attached to the Intelligence Department, Horse Guards	–	–	–	200 (4)	566
1	1	Registrar of the Orders of the Star of India, and of the Indian Empire	–	–	–	350	350
3	2	Clerks to the Legal Adviser:					
		One at	–	–	–	–	*550*
		One at	200	15	350	283	268
		One at	–	–	–	160	160
1	1	Clerk to the Commissioners of Income Tax (5)	–	–	–	226	226
1	1	Officer temporarily employed in connection with the Revenue and Statistics Department	–	–	–	200	200
1	1	Computing Clerk in the Funds Department	At 10*d.* an hour, with 10*s.* a week additional			110	110
12	11				£.	4,920	5,830

(1) The present incumbent, appointed on the 4th August 1886, is not counted here, being a Junior Clerk in the Accountant General's Department.
(2) Also receives 16*s.* a day regimental pay.
(3) Also receives Colonel's allowance at 668*l.* 12*s.* 5*d.* a year, and a wound pension of 100*l.*
(4) In addition to 500*l.* a year from the War Office.
(5) For which an allowance is made from Imperial Revenues. This officer also receives a superannuation allowance of 1,700*l.* a year.

23	25	CLERKS TEMPORARILY EMPLOYED AT THE INDIA OFFICE	One at 4*l.* 4*s.* a week, nine at 3*l.* 3*s.* a week; and ten at 10*d.* an hour, and five at from 4*d.* to 5*d.* an hour, supplied by the Civil Service Commission			3,152	2,842
		OFFICE KEEPERS AND MESSENGERS.					
1	1	Head Office Keeper (1)	With apartments		200	320	320
1	1	Second Office Keeper (2)	ditto		150	170	170
1	1	Third Office Keeper (3)			140	176	176
			In lieu of apartments		26		
10	10	Messengers, First Class (4)	110	2	120	1,402	1,405
1	–	*Supernumerary ditto* (4)	*110*	*2*	*120*	–	*148*
39	40	Messengers, Second Class (with uniform) (4)	80	2	100	3,893	3,805
1	1	Extra Messenger (ditto)	–	–	–	100	100
2	2	Messengers at the Store Depôt (ditto) (4)	80	2	100	209	209
8	8	Boy Messengers	At 1*s.* a day			203	209
64	64				£.	6,473	6,542

(1) The present incumbent receives a salary of 300*l.*, with a personal allowance of 20*l.*
(2) Receives a personal allowance of 20*l.*
(3) Receives a compensation allowance of 10*l.*
(4) The following allowances are received by 1st and 2nd Class Messengers:—Three receive 30*l.* each for attendance on the Secretary of State; one receives 20*l.*, and two receive 10*l.* each for attendance on the Under Secretaries of State; one receives 25*l.* as Bank Messenger; one receives 20*l.* for superintending the delivery of seals; one receives 30*l.* for the despatch of letters; one receives 15*l.* for assisting the Head Office Keeper; and two receive 10*l.* each for performing the duties of Hall Porter. Also the following compensation allowances:—One of 10*l.* 10*s.*; three of 10*l.*; two of 8*l.* 18*s.* 9*d.*; and two of 3*l.* 16*s.*

		HOUSEKEEPER, HOUSEMAIDS, AND CHARWOMEN.					
1	1	Housekeeper (1)	With apartments		80	100	100
27	28	Housemaids (not entitled to pension)			40	1,120	1,080
4	3	Charwomen (ditto)			14*s.* a week	108	144
32	32				£.	1,328	1,324

(1) Receives a personal allowance of 20*l.*

21	19	ARTIFICERS AND LABOURERS EMPLOYED AT THE INDIA OFFICE	At wages varying up to 3*l.* a week			1,627	1,689

No. 11.—ESTABLISHMENT of the Secretary of State in Council of *India*, &c.—*continued.*

Numbers. 1887-88.	Numbers. 1888-89.	SALARIES, WAGES, AND ALLOWANCES —*continued.*	SALARY OF OFFICE. Minimum.	Annual Increment.	Maximum.	1888-89.	1887-88.
		STORE DEPARTMENT.					
		India Office Branch.	£.	£.	£.	£.	£.
1	1	Director General	- -	- -	- -	1,200	1,200
1	1	Assistant to the Director General (1)	700	25	900	1,000	1,000
7	7	Senior Clerks (2)	500	20	700	4,800	4,725
6	5	Junior Clerks	4 at 100 1 at 100	15 15	500 400	1,838	2,069
6	6	Second Class Clerks	On the same scale of salary as in the Correspondence Department.			990	855
	2	Ditto	80	15 triennially	200	160	—
1	1	Member of Committee for Valuation of Military Equipments (3)	500	20	700	700	700
1	—	*Inspector General of Railway Stores*	- -	- -	- -	- -	1,000
2	2	Clerks for Railway Stores, hitherto termed Clerks to Inspector General of Railway Stores:					
		One at	350	15	500	500	500
		One at	150	10	300	195	185
		(1) Receives a personal allowance of 100 *l.* (2) Three receive extra allowances of 100 *l.* each. (3) Also receives Indian Military Retired Pay at 7 *s.* a day.					
		Branch at the India Store Depôt.					
1	1	Superintendent (1)	- -	- -	800	900	900
1	1	Assistant Superintendent	- -	- -	- -	700	700
4	4	Supervisors, First Grade (2)	350	15	500	1,891	1,876
5	5	Supervisors, Second Grade (3)	150	10	300	1,071	1,021
1	1	Supernumerary Supervisor, Second Grade	- -	- -	- -	150	150
12	12	Second Class Clerks	On the same scale of salary as in the Correspondence Department.			1,966	1,852
15	14	Examiners of Stores	180	Rising on report of Director General.	300	3,540	3,574
13	13	Assistant Examiners of Stores	120	- ditto -	180	1,960	2,115
-	1	Custodian of Patterns	150	- ditto -	250	180	—
1	1	Principal Foreman	120	- ditto -	200	175	175
1	1	Engineer	120	- ditto -	200	120	175
1	1	Shipping Foreman	120	- ditto -	150	130	130
1	1	Inspector of Scientific Instruments	300	15	500	480	465
1	1	Examiner of Surgical Instruments (4)	- -	- -	50	100	100
		(1) Receives a personal allowance of 100 *l.* (2) One also receives an Indian Military Pension of 6 *s.* 6 *d.* a day, and an annuity of 50 *l.*; and one an Indian Military Pension of 60 *l.* a year. (3) One also receives an Indian Military Pension of 55 *l.* a year. (4) Receives a personal allowance of 50 *l.*					
		Stamp Branch. (*See* Note.)					
1	1	Assistant Superintendent	160	10	250	250	98
3	3	Examiners	100	5	150	418	169
		Miscellaneous Officers at the Store Depôt not on the Permanent Establishment.					
1	1	Surveyor of Shipping	- -	- -	- -	500	500
1	1	Medical Attendant on Labourers	- -	-	- -	75	50
1	1	Examiner of Medical Stores (1)	- -	- -	- -	300	300
8	8	*Clerks temporarily employed in the Store Department*	Two at 3 *l.* 3 *s.* a week, one at 1 *l.* 16 *s.* a week; and four at 10 *d.* and one at 4 *d.* an hour, supplied by the Civil Service Commission			817	947
87	82	*Artificers and Labourers employed at the Store Depôt*	- -	- -	- -	6,201	6,430
85	92	*Labourers temporarily employed at the Store Depôt*	- -	- -	- -	4,809	4,614
32	32	*Examiners and Tellers temporarily employed at the Stamp Branch* (*see* Note)	- -	- -	- -	2,172	1,100
301	303				£.	40,288	39,675

(1) Also receives an Indian Medical Pension of 202 *l.* a year, and an annuity of 300 *l.* from the Bengal Medical Retiring Fund.

Note.—The control and superintendence of the supply of Stamps for India were transferred to the Inland Revenue Department with effect from 1st October 1886, and these officers are now paid *through* that Department. The Estimate for 1887-88 provided for the payment to that Department in respect of six months only.

No. 11.—ESTABLISHMENT of the Secretary of State in Council of *India*, &c.—*continued.*

	1888-89.	1887-88.	INCREASE.	DECREASE.
CONTINGENCIES OF THE INDIA OFFICE.	£.	£.	£.	£.
Rates and Taxes	710	710	—	—
Repairs, Furniture, and Fittings	4,150	4,220	-	70
Coals and Firewood	450	450	—	—
Gas, Candles, Soap, and other House Articles	1,000	1,000	—	—
Postage (excluding Postage to and from India)	1,100	1,000	100	—
Telegrams (excluding Telegrams to India)	100	150	-	50
Travelling Expenses	250	300	-	50
Newspapers, Books, Periodicals, Parliamentary Papers, &c.	1,000	1,000	—	—
Advertisements	850	850	—	—
Stamps	170	170	-	—
Postal and Money Orders	110	80	30	—
Messengers' Uniforms	300	430	-	130
Messengers' Allowances for Night Watching	180	180	—	—
Pay of Police	130	130	—	—
Miscellaneous	800	930	-	130
£.	11,300	11,600	130	430
NET DECREASE - - - £. 300.				
CONTINGENCIES OF THE STORE DEPÔT.				
Rent, Rates, and Taxes	1,300	1,300	—	—
Repairs, Furniture, and Fittings	1,920	2,220	-	300
Coals and Coke	500	500	—	—
Gas, Candles, Soap, and other House Articles	300	300	—	—
Travelling Expenses of Officers of the Department	2,900	2,500	400	—
Commission and Travelling Expenses of Professional Inspectors	2,200	2,500	-	300
Carriage of Stores	300	400	-	100
Patterns	100	100	—	—
Advertisements	50	50	—	—
Pay of Police	1,830	1,830	—	—
Miscellaneous	818	868	-	50
Inland Revenue Department for superintendence of the Supply of Stamps for India	1,100	521	579	—
£.	13,318	13,089	979	750
NET INCREASE - - - £. 229.				

OFFICE OF AUDITOR.

SALARIES AND ALLOWANCES under Act 21 & 22 Vict. c. 106, s. 52.

Numbers. 1887-88.	Numbers. 1888-89.		SALARY OF OFFICE. Minimum.	Annual Increment.	Maximum.	1888-89.	1887-88.
			£.	£.	£.	£.	£.
1	1	Auditor	- -	- -	- -	1,000	1,000
1	1	Senior Inspector	600	25	800	800	800
1	1	Junior Inspector (1)	500	20	600	700	700
4	4	Senior Examiners (2)	300	16	450	1,847	1,828
4	4	Junior Examiners	100	15	300	1,007	947
6	6	Second Class Clerks	On the same scale of salary as in the Correspondence Department.			850	843
1	1	Hired Writer	- - At 4 *l.* 4 *s.* a week - -			218	164
1	1	Man Copyist, for a short period	At 10 *d.* an hour, supplied by the Civil Service Commission.			13	30
19	19				£.	6,435	6,312

(1) Receives a personal allowance of 100 *l.*
(2) One receives a personal allowance of 50 *l.*

NET INCREASE - - - £. 123.

Thos. W. Keith, Accountant General.

HOME ACCOUNTS

OF THE

GOVERNMENT OF INDIA.

(Presented pursuant to the Act 21 & 22 Vict. c. 106.)

Ordered, by The House of Commons, *to be Printed,*
14 *May* 1888.

LONDON:
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and HODGES, FIGGIS, and Co., 104, Grafton-street, Dublin.

167. [*Price* 8 *d.*] *Under* 7 *oz.*

H.—26. 5. 88.

HOME ACCOUNTS

OF THE

GOVERNMENT OF INDIA.

(Presented pursuant to the Act 21 & 22 Vict. c. 106.)

Ordered, by The House of Commons, *to be Printed,* 13 *May* 1887.

LIST.

1885-86.

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India Office,
12 May 1887.

J. A. GODLEY,
Under Secretary of State for India.

No. 1.

ACCOUNT of the RECEIPTS and DISBURSEMENTS of the HOME TREASURY

RECEIPTS.

			£. s. d.
Balance on the 1st April 1885			2,249,378 5 –
REVENUE:			
FOREST:		£. s. d.	
Receipts from Students for the Indian Forest Department, on account of their Expenses at the Forest School at Nancy		832 – –	
INTEREST:	£. s. d.		
Interest realised from investment of Cash Balance	6,092 13 2		
Interest on India Debt, remaining unclaimed for 10 years, repaid by the Bank of England and Bank of Ireland	3,043 3 11		
		9,135 17 1	
TELEGRAPH:			
Indo-European Telegraph		*35,560 8 –	
MEDICAL:			
Royal India Lunatic Asylum, Ealing: Pay, Pensions, &c. of Inmates, appropriated to their Maintenance	£. s. d. 2,222 1 10		
Sale of Farm Produce, &c.	87 13 5		
	2,309 15 3		
On account of the Maintenance of two Lunatics in Broadmoor Asylum, &c.	227 12 11		
		2,537 8 2	
SCIENTIFIC AND OTHER MINOR DEPARTMENTS:			
Sale Proceeds of Books, Maps, &c.		137 1 1	
RECEIPTS IN AID OF SUPERANNUATION ALLOWANCES AND PENSIONS:			
Subscriptions, &c., to the Widows' Funds of the Home Establishment of the East India Company	£. s. d. 9,681 11 3		
India Office Provident Fund: Balance of the Fund on its being closed as from 31st March 1885, and its Liabilities assumed by the Secretary of State. (*See* "Payments out of Deposits of Service Funds bearing Interest," page 21)	£. s. d. 25,942 18 9		
Subscriptions in respect of the Fund during the Year	1,813 19 3		
	27,756 18 –		
Subscriptions in respect of the Indian Civil, Military, and Medical Funds, and the Indian Navy Fund:			
Bengal Civil Service Annuity Fund	£. s. d. 1,780 1 6		
Bengal Civil Fund	651 10 4		
Bombay Civil Fund: Provident Branch	1,003 5 11		
Bengal Military Orphan Society	22,977 5 10		
Bengal Military Fund	32,489 15 10		
Madras – ditto	16,018 9 7		
Bombay – ditto	11,255 – 11		
Bengal Medical Retiring Fund	30 – –		
Madras Medical Fund	463 1 1		
Indian Navy Fund	1,168 15 5		
	87,787 6 5		
Subscriptions towards Indian Civil Service Family Pensions	103 19 8		
		125,329 15 4	
Carried forward	£.	173,532 9 8	2,249,378 5 –

* This sum is the balance of receipts and payments in England in respect of messages conveyed, the total receipts on this account having been reduced by payments to the Eastern Telegraph Company and the Indo-European Telegraph Company, amounting to 29,795 *l.* 5 *s.* 3 *d.*, due to them under the Common Purse arrangement.

No. 1.

of the GOVERNMENT of *India*, from 1st April 1885 to 31st March 1886.

DISBURSEMENTS.

EXPENDITURE:

	£. s. d.	£. s. d.
LAND REVENUE:		
Law Charges in connection with Appeals from India, a portion of which is recoverable in India	206 5 9	
Stores for India: For use in the Revenue Survey, &c.	126 3 8	
		332 9 5
OPIUM:		
Stores for India: For the Behar Opium Agency, &c.	- - -	4,709 18 1
SALT:		
Stores for India: Weighing Machines, &c., for the Salt Department, Madras	- - -	1,721 11 4
STAMPS:		
Stores for India	- - -	48,542 18 9
EXCISE:		
Stores for India: Hydrometers, &c.	- - -	886 3 1
FOREST:		
Allowances to successful Candidates for the Indian Forest Department; Passages to India on appointment; Fees to Professors for Instruction, &c.	2,946 17 2	
Stores for India	3 4 –	
		2,950 1 2

INTEREST ON DEBT (EXCLUDING THAT CHARGED ON PAGE 13, TO RAILWAYS):	£. s. d.		
Interest on Loans contracted in England:†			
India 4 per Cent. Stock	1,936,688 18 10		
India 3½ per Cent. Stock	125,817 4 2		
India 3 per Cent. Stock	142,497 – 9		
India 5 per Cent. Stock (accrued prior to 5th July 1880)	51 8 11		
India Debentures	175,000 – –		
Temporary Loans	1,410 18 10		
		2,381,465 11 6	
Interest on the Indian Transfer Loan of 22nd April 1854		44,761 2 1	
		2,426,226 13 7	
Discount Sinking Fund, in redemption of Debt incurred in excess of Money raised:			
Investment in 2,618 *l.* 2 *s.* 9 *d.* India 4 per Cent. Stock of the Sum applicable to this purpose		2,721 4 7	
			2,428,947 18 2
INTEREST ON OTHER OBLIGATIONS:			
Interest on Deposits in Regimental Savings Banks of men returned from India		- - -	295 8 2
POST OFFICE:			
Payments under the Postal arrangement with the Lords of Her Majesty's Treasury		68,000 – –	
Stores for India		37,139 1 5	
			105,139 1 5
		Carried forward £.	2,593,525 9 7

† Total Interest on Loans contracted in England:—

	£. s. d.
India 4 per Cent. Stock	2,135,058 12 5
India 3½ per Cent. Stock	191,207 7 3
India 3 per Cent. Stock	149,953 9 5
India 5 per Cent. Stock (prior to 5th July 1880)	51 8 11
India Debentures	175,000 – –
Temporary Loans	1,410 18 10
East Indian Railway Debenture Stock	64,604 5 –
Eastern Bengal Railway Debentures and Debenture Stock	30,334 8 1
£.	2,747,620 9 11

Charged in the Account as follows:—

	£. s. d.
Under Interest on Ordinary Debt (as above)	2,381,465 11 6
Under Railway Revenue Account (page 13): State Railways—Interest on Debt	366,154 18 5
£.	2,747,620 9 11

No. 1.—Account of the Receipts and Disbursements of the Home Treasury

					£.	s.	d.	£. s. d.
Brought forward - - -					173,532	9	8	2,249,378 5 –
RECEIPTS—*continued.*								
REVENUE—*continued.*								
MISCELLANEOUS:			£.	s.	d.			
From the Commissioners of Income Tax: Allowance in respect of the assessments of Income Tax made at the India Office - - - - - - - - -			747	10	6			
Miscellaneous Fees, &c. - - - - - - -			1,476	2	6			
Sale Proceeds of Waste Paper and receipts on sundry Accounts - - - - - - - - -			74	8	5			
			2,298	1	5			
Miscellaneous Receipts connected with the Supply of Stores to India:	£.	s.	d.					
Recoveries in respect of Marine Insurance - - - - - -	1,747	15	5					
Fines and Penalties incurred by Contractors in providing Stores and Freight (less refunds) - -	1,136	2	11					
Recoveries on account of detention of Lighters, &c. - - -	402	17	7					
Sale Proceeds of Sawdust, and Miscellaneous Recoveries - -	156	2	6					
Repayment of Expenses incurred in respect of Malt Liquor and other Stores provided for the Imperial Government - - - -	207	12	7					
Rent of Wharf adjoining the India Store Depôt, and the proportion of Rates and Taxes chargeable thereon - - - - -	348	5	6					
				3,998	16	6		
						6,296	17	11
RAILWAYS:								
STATE RAILWAYS:								
East Indian Railway: Rent of Premises occupied by the Company -						230	–	–
BUILDINGS AND ROADS:								
CIVIL WORKS AND MISCELLANEOUS SERVICES:								
Royal Indian Engineering College:			£.	s.	d.			
Fees and Caution Money received from Students -			18,905	5	4			
Sale of Provisions, Farm Produce, &c. - -			845	11	2			
						19,750	16	6
Carried forward - - - £.						199,810	4	1
								2,249,378 5 –

of the Government of *India*, from 1st April 1885 to 31st March 1886—*continued.*

	£. s. d.	£. s. d.
Brought forward - - -	- - -	2,593,525 9 7
DISBURSEMENTS—*continued.*		
EXPENDITURE—*continued.*		
TELEGRAPH:		
Indo-European Telegraph - - - - - - - - - -	98,275 3 5	
Red Sea and India Telegraph: Moiety of Annuity (terminating in 1908) payable to Shareholders of the late Red Sea and India Telegraph Company, under Act 25 & 26 Vict. c. 39 - - - - - - -	18,027 - -	
Indian Telegraph Department:		
Absentee Allowances - - - - - - - - - -	5,745 11 10	
Passages to India of Officers of the Department on appointment; Expenses of Indian Delegate at the International Telegraph Conference at Berlin; Share of Expenses of International Telegraph Office at Berne, &c. - - - - - - - - - - - - -	376 6 10	
	122,424 2 1	
Telegraph Lines in India—Stores for India - - - - - -	145,437 7 3	
		267,861 9 4
MINT:		
Deputation Allowance of an Officer while inspecting Machinery for the Bombay Mint - - - - - - - - - - - -	357 12 2	
Stores for India - - - - - - - - - - -	21,903 19 -	
		22,261 11 2
GENERAL ADMINISTRATION:		
England:	£. s. d.	
Salaries of the Secretary of State, Under Secretaries of State, Members of the Council of India, Secretaries and Officers of the Secretary of State for India in Council, Assistant Military Secretary to His Royal Highness the Commander in Chief and Clerk, Consulting Officer for the Indian Troop Service, two Members of the London Medical Board, &c. - -	139,416 13 -	
Auditor and Assistants, under Act 21 & 22 Vict. c. 106, s. 52 - - - - - - - - - - -	5,965 9 3	
Store Department; Wages of Labourers, Cartage, Fees to Surveyors, Ground Rent of Premises, Rates and Taxes, Repairs, Supplies, &c. - - - - -	27,911 5 4	
Law Charges - - - - - - - - - -	489 13 8	
Bank of England and Bank of Ireland for Management of Debt - - - - - - - - - - -	31,054 14 6	
Postage of Despatches to and from India - - -	3,984 5 7	
Telegrams to India - - - - - - - -	18,118 14 9	
Office Contingencies: Rates, Taxes, Coals, Gas, Candles, Furniture and Repairs, Stamps, Advertisements, Inland Postage and Telegrams, Pay of Police, Messengers' Uniforms, and various petty Charges - -	11,993 6 7	
	238,934 2 8	
India:		
Expenses incurred in bringing the Marquis of Ripon and his Suite home from India in the "Clive," in January 1885 - - - - - - - - - -	746 7 1	
Portrait of the Marquis of Ripon, for Government House, Calcutta - - - - - - - - -	316 - -	
Books and Newspapers supplied to India, not invoiced as Stores - - - - - - - - - -	1,601 3 6	
	2,663 10 7	
	241,597 13 3	
Stores for India: Currency Notes, &c. - - - - - - -	20,983 15 2	
		262,581 8 5
Carried forward - - - £.		3,146,229 18 6

No. 1.—Account of the Receipts and Disbursements of the Home Treasury

	£. s. d.	£. s. d.	£. s. d.
Brought forward - - -	- - -	199,810 4 1	2,249,378 5 -
RECEIPTS—*continued.*			
REVENUE—*continued.*			
ARMY:			
Effective.			
Value of Clothing; Accoutrements, &c., in possession of Regiments on their transfer from the Indian to the British Establishment; and Proceeds of Sales of unserviceable Military Stores, &c.:			
Clothing and Necessaries - -	£. s. d. 2,697 1 5		
Ordnance and Miscellaneous -	16,702 3 1		
	19,399 4 6		
Indian Troop Service: Receipts from the Admiralty, Recoveries on account of Messing, &c. - - -	36,394 - 2		
Passage of Officers and Troops: Recoveries on account of Messing - - - - - - - - -	338 19 7		
Discharge Purchase Money - - - - -	36 - -		
	56,168 4 3		
Non-Effective.			
Sums recovered in respect of Advances made to the War Office, in excess of the amount of Indian Pensions paid through that Department - -	£. s. d. 41 10 6		
Subscriptions towards Indian Military Service Family Pensions - -	3,054 5 8		
	3,095 16 2		
		59,264 - 5	
Carried forward - - - £.		259,074 4 6	2,249,378 5 -

of the Government of *India*, from 1st April 1885 to 31st March 1886—*continued.*

	£. s. d.	£. s. d.
Brought forward - - -	- - -	3,146,229 18 6
DISBURSEMENTS—*continued.*		
EXPENDITURE—*continued.*		
LAW AND JUSTICE:		
Passage and Outfit Allowance of the Chief Justice of the High Court at Madras - - - - - - - - - -	800 – –	
Salary of Privy Council Reporter under the arrangement made by the Government of India for the publication of Law Reports - - - - - - - - - - -	150 – –	
	950 – –	
Stores for India: Reports of Indian Appeal Cases for 1885, &c.	158 17 2	
		1,108 17 2
MARINE:		
Contribution towards the Expenses of Her Majesty's Ships employed in the Indian Seas - - - - - - -	72,193 16 9	
Pay and Passages of Naval Officers, of Leadsman Apprentices in the Bengal Pilot Service, &c. - - - - - -	1,035 7 2	
Expenses incurred in connection with the repair in this country of the Indian Government Steamer "Tenasserim" - -	111 6 9	
Expenses attending Repairs to the Indian Government Steamer "Clive"; and Coaling, &c., on her outward voyage after bringing home Troops in May 1884 - - - - - -	763 15 4	
	74,104 6 –	
Stores for India - - - - - - - - - -	69,061 13 8	
		143,165 19 8
EDUCATION:		
Passage to India of Educational Officers on appointment, &c. -	- - -	381 3 3
ECCLESIASTICAL:		
Passage to India of Chaplains on appointment - - - -	- - -	609 – –
MEDICAL:		
Royal India Lunatic Asylum, Ealing: Salaries and Allowances of the Staff, Board and Clothing of the Lunatics, and other Expenses - - - - - - - - - -	6,699 18 8	
Maintenance of Lunatics elsewhere than in the Royal India Lunatic Asylum - - - - - - - - - -	477 15 11	
Expenses attending the Deputation sent to India to conduct investigations regarding Cholera, and of the Representatives of the Indian Government at the International Sanitary Conference at Rome, &c. - - - - - - - -	1,489 7 –	
		8,667 1 7
POLITICAL:		
Mission to the Court of Persia - - - - - - -	10,000 – –	
Her Majesty's Establishments in China - - - - - -	15,000 – –	
Sum placed at the disposal of the Secretary of State for India for Secret Service - - - - - - - - - -	5,000 – –	
Expenses in connection with the Afghan Boundary Commission	1,616 2 11	
Contribution towards the Expenses of the Jeddah Consulate, for the Years 1884-85 and 1885-86 - - - - - -	950 – –	
	32,566 2 11	
Stores for India: Presentation Articles, &c. - - - - -	292 9 1	
		32,858 12 –
Carried forward - - - £.		3,333,020 12 2

No. 1.—ACCOUNT of the Receipts and Disbursements of the Home Treasury

	£.	s.	d.	£.	s.	d.
Brought forward - - -	259,074	4	6	2,249,378	5	–
RECEIPTS—*continued.*						
Carried forward - - - £.	259,074	4	6	2,249,378	5	–

of the Government of *India*, from 1st April 1885 to 31st March 1886—*continued.*

	£. s. d.	£. s. d.
Brought forward - - -	- - -	3,333,020 12 2
DISBURSEMENTS—*continued.*		
EXPENDITURE—*continued.*		
SCIENTIFIC AND OTHER MINOR DEPARTMENTS:		
Objects of a Literary, Scientific, or Antiquarian Character -	2,266 1 –	
Expenses attending the preparation of a new Edition of the "Imperial Gazetteer of India" - - - - - - -	495 1 –	
Deputation Allowance of an Officer of the Surveyor General's Department, while employed on Indian Pendulum Observations - - - - - - - - - -	1,094 9 7	
Salary of Dr. W. Waagen from 1st January to 31st December 1885, while engaged on Palæontological Work for the Geological Survey - - - - - - - - - -	300 – –	
Deputation Allowance of the Archæological Surveyor of India while employed in this Country, and passage to India -	557 1 5	
Contingent Expenses of the India Museum Collection at Kew	513 5 2	
Preparation of Tide Tables for Indian Ports - - - -	718 16 9	
Maps relating to India - - - - - - - -	1,383 9 –	
Remuneration to several Officers and others specially employed, and Miscellaneous Expenditure - - - - - -	1,904 6 5	
	9,232 10 4	
Stores for India - - - - - - - - - -	7,278 10 1	
		16,511 – 5
TERRITORIAL AND POLITICAL PENSIONS:		
His Highness Maharajah Duleep Singh - - - -	21,064 12 10	
Members of the Bengal Nizamut Family - - - -	997 16 1	
		22,062 8 11
CIVIL FURLOUGH AND ABSENTEE ALLOWANCES:		
Covenanted Civil Service - - - - - - - -	87,603 9 7	
Military Officers in Civil employ - - - - - -	68,179 7 11	
Uncovenanted Service - - - - - - - -	37,563 6 11	
Bengal Pilot Service - - - - - - - -	1,527 18 9	
Marine Service (under the New Regulations) - - -	1,316 17 10	
		196,191 1 –
SUPERANNUATION ALLOWANCES AND PENSIONS:		
Pensions for Distinguished and Meritorious Services - - -	11,992 19 4	
Pensions on Retirement of Officers of the following Classes:—		
India Office:	£. s. d.	
Superannuation - - - - -	12,663 16 5	
Compensation (on Reduction of Staff) -	27,883 10 10	
Compassionate - - - - -	1,140 14 1	
	41,688 1 4	
Judges of the High Courts in India - - - - -	33,408 12 6	
Uncovenanted Service of India - - - - - -	81,218 13 7	
Bengal Pilot Service - - - - - - - - -	6,918 16 9	
Marine Service (under the New Regulations) - - -	125 7 9	
Pensions of Officers, &c., of Establishments of the late East India Company, now abolished:		
Officers, &c., of the Home Establishment, of the China and St. Helena Establishments, and of the Maritime Service, pensioned on the Abolition of the Commercial Charter in 1834 - - - - -	£. s. d. 7,927 19 6	
Officers, &c., of the Home Establishment, pensioned between 1834 and 1858 - -	7,717 19 4	
Professors, &c., at Addiscombe and Haileybury, and Recruiting Staff at Warley, &c.	4,870 2 11	
Officers of the late Indian Navy - -	22,949 7 5	
Poplar Fund Pensions - - - -	47 10 6	
	43,512 19 8	
Carried forward - - - £.	218,865 10 11	3,567,785 2 6

No. 1.—Account of the Receipts and Disbursements of the Home Treasury

	£.	s.	d.	£.	s.	d.
Brought forward - - -	259,074	4	6	2,249,378	5	–
Receipts—*continued.*						
Carried forward - - - £.	259,074	4	6	2,249,378	5	–

of the Government of *India*, from 1st April 1885 to 31st March 1886—*continued.*

	£.	s.	d.	£.	s.	d.
Brought forward - - -	218,865	10	11	3,567,785	2	6
DISBURSEMENTS—*continued.*						
EXPENDITURE—*continued.*						
SUPERANNUATION ALLOWANCES AND PENSIONS—*continued.*						
Pensions of Widows and Families of Officers of the Home Service, from Funds (established by the East India Company) to which the Officers subscribed - - - - - - - - -	22,173	13	9			
Pensions payable in respect of the India Office Provident Fund	738	4	10			
Pensions of Widows and Families of Officers of the Bengal Pilot Service, towards which the Officers subscribed - - -	5,810	1	4			
Compassionate and Miscellaneous Pensions - - - -	5,548	14	5			
	253,136	5	3			
Gratuities - - - - - - - - - - -	62	10	–			
Gratuities granted on retirement to Members of the Uncovenanted Service of India - - - - - - - - - -	1,134	10	11			
Relief to Distressed Natives of India - - - - - -	323	12	5			
Subscriptions to Charities (Strangers' Home for Asiatics, Seamen's Hospital Society, and Soldiers' Daughters' Home) - - -	355	–	–			
Annuities, Pensions, and Allowances payable in respect of the Indian Civil, Military, and Medical Funds, and the Indian Navy Fund:						
Bengal Civil Service Annuity Fund -	262,283	14	10			
Madras Civil Service - ditto - -	96,148	4	5			
Bombay Civil Fund: Annuity Branch -	70,385	1	9			
Bengal Civil Fund - - - -	86,790	19	7			
Bombay Civil Fund: Provident Branch	34,155	1	10			
Bengal Military Orphan Society - -	61,325	18	8			
Bengal Military Fund - - - -	200,229	17	11			
Madras - ditto - - - -	187,384	14	9			
Bombay - ditto - - - -	104,859	16	2			
Bengal Medical Retiring Fund - -	40,049	19	10			
Madras Medical Fund - - - -	81,556	15	7			
Bombay Medical Retiring Fund - -	9,664	10	3			
Indian Navy Fund - - - -	16,204	–	9			
				1,251,038	16	4
						1,506,050 14 11
STATIONERY AND PRINTING:						
Stationery, Printing, and Bookbinding for the India Office, &c.				7,243	2	9
Stores for India - - - - - - - - - -				67,293	12	4
						74,536 15 1
Carried forward - - - £.						5,148,372 12 6

No. 1.—Account of the Receipts and Disbursements of the Home Treasury

RECEIPTS—*continued.*

	East Indian Railway.	Eastern Bengal Railway.	TOTAL.
	£. s. d.	£. s. d.	£. s. d.
Brought forward - - - - £.	1,518,580 8 3	176,655 1 2	1,690,185 9 5
STATE RAILWAYS—ANNUITIES IN PURCHASE OF RAILWAYS (INCLUDING SINKING FUNDS):			
Interest in lieu of Deferred Annuity:			
Interest at 4 per cent. per annum on 6,550,000 *l.* (being one-fifth of the commuted value of the Capital Stock of the East Indian Railway Company), the proprietors of which availed themselves of the option of deferring payment of the portion of the Annuity to which they were entitled - - - - - - - - - -	262,000 - -	—	
Annuities:			
Annuity terminating in 1953, at the rate of 5 *l.* 12 *s.* 6 *d.* for 100 *l.* Stock of the Company - - - - -	876,716 19 10	—	
" " 1957 " " 6 *l.* 3 *s.* 4·79 *d.* " " " - - - - -	- - -	142,105 6 6	
Contribution towards management, &c., in respect of the Annuity registered in the name of the Secretary of State	1,277 5 -	—	
Sinking Funds, created pursuant to Acts 42 & 43 Vict. c. 206, s. 51, and 44 & 45 Vict. c. 53, s. 2 (a):			
Investment of the difference between the sums retained by the Secretary of State in respect of the Annuity and Debenture Stocks redeemed by him, and the interest on the Stock created for the redemption thereof:—			
In £. 35,327 16 11 India 4 per Cent. Stock - - - - - - - - - - - -	35,523 17 6	—	
" 136 15 5 " " " - - - - - - - - - - - -	- - -	139 5 -	
Investment of interest on the amount of Stock purchased for the Sinking Funds and cancelled:—			
In £. 6,213 15 - India 4 per Cent Stock - - - - - - - - - - - -	6,251 16 10	—	
" 15 14 8 " " " - - - - - - - - - - - -	- - -	16 - 4	
£. 41,694 2 - India 4 per Cent. Stock purchased and cancelled.	1,181,769 19 2	142,260 11 10	1,324,030 11 -
STATE RAILWAYS—INTEREST ON DEBT:			
On India 4 per Cent. Stock issued in redemption of portion of Annuity, and outstanding - - - - - -	198,385 13 11	*—16 0 4	
" " 3½ " " " " " and Debenture Stock - - - - -	61,335 6 2	4,054 16 11	
" " 3 " " " " " " " - - - - -	7,485 4 -	21 4 8	
" Railway Debentures and Debenture Stock - - - - - - - - - - - -	64,604 5 -	30,334 8 1	
	331,760 9 1	34,394 9 4	366,154 18 5
£.	1,518,530 8 3	176,655 1 2	1,690,185 9 5

* The Sinking Fund of the Eastern Bengal Railway has been applied to the redemption of India 4 per Cent. Stock, instead of to the redemption of a portion of the India 3½ per Cent. Stock issued in exchange for the Eastern Bengal Railway Debenture Stock.

Carried forward - - - £.

£. s. d.	£. s. d.
259,074 4 6	259,074 4 6
2,249,378 5 -	2,249,378 5 -

of the Government of *India*, from 1st April 1885 to 31st March 1886—*continued.*

	£. s. d.	£. s. d.
Brought forward - - -	- - -	5,148,372 12 6
DISBURSEMENTS—*continued.*		
EXPENDITURE—*continued.*		
MISCELLANEOUS:		
Examination Expenses and Allowances of Candidates for the Covenanted Civil Service of India - - - - - -	16,595 11 10	
Cost and repairs of Insignia of the Order of the "Star of India"	183 12 6	
Composition in lieu of Stamp Duty on India Bonds and Debentures - - - - - - - - - -	187 10 –	
Contribution towards the Salary of the British Consular and Medical Delegate at the Alexandria Maritime and Quarantine Board - - - - - - - - -	259 18 7	
Sundries - - - - - - - - - - -	10 2 6	
	17,236 15 5	
Miscellaneous Charges connected with the Supply of Stores to India:		
Marine Insurance, Cost of Stores lost, General Average, &c. - - - £. 2,881 s. 9 d. 7		
Commission on Freight, Lighterage, Dock Dues, Packing, &c. - - 11,260 – 3		
	14,141 9 10	
		31,378 5 3
RAILWAY REVENUE ACCOUNT:		
STATE RAILWAYS—INTEREST ON DEBT: (*See* Details on opposite page.)		
East Indian Railway - - - - £. 331,760 s. 9 d. 1		
Eastern Bengal Railway - - - - 34,394 9 4		
	366,154 18 5	
STATE RAILWAYS—ANNUITIES IN PURCHASE OF RAILWAYS (INCLUDING SINKING FUNDS): (*See* Details on opposite page.)		
East Indian Railway - - - - £. 1,181,769 s. 19 d. 2		
Eastern Bengal Railway - - - - 142,260 11 10		
	1,324,030 11 –	
STATE RAILWAYS—INTEREST ON CAPITAL DEPOSITED BY COMPANIES:		
Bengal Central Railway - - - - £. 24,801 s. 16 d. 4		
Indian Midland Railway - - - 22,262 18 –		
Southern Mahratta Railway - - - 148,821 7 2		
	195,886 1 6	
GUARANTEED COMPANIES—INTEREST:		
Bombay, Baroda, and Central India Railway - - - - - - - - £. 384,043 s. 14 d. 9		
Great Indian Peninsula Railway - - 1,169,800 18 1		
Madras Railway - - - - - - 522,392 12 –		
Oude and Rohilkund Railway - - - 346,757 4 4		
Scinde, Punjab, and Delhi Railway - - 553,345 12 6		
South Indian Railway - - - - 204,394 19 10		
	3,180,735 1 6	
		5,066,806 12 5
IRRIGATION:		
MINOR WORKS AND NAVIGATION: Stores for India - - - - - - -		448 14 1
Carried forward - - - £.		10,247,006 4 3

No. 1.—Account of the Receipts and Disbursements of the Home Treasury

	£.	s.	d.	£.	s.	d.
Brought forward - - -	259,074	4	6	2,249,378	5	–
RECEIPTS—*continued.*						
Carried forward - - - £.	259,074	4	6	2,249,378	5	–

of the Government of *India*, from 1st April 1885 to 31st March 1886—*continued*.

	£. s. d.	£. s. d.
Brought forward - - -	- - -	10,247,006 4 3
DISBURSEMENTS—*continued*.		
EXPENDITURE—*continued*.		
BUILDINGS AND ROADS:		
MILITARY WORKS: Stores for India - - - - - - - -	6,469 8 2	
CIVIL WORKS AND MISCELLANEOUS SERVICES:		
Royal Indian Engineering College: Salaries of President, Professors, &c.; Wages of Servants; Provisions, and Contingent Expenses - - 21,394 8 7		
Refund of Caution Money to Students 268 6 9		
21,662 15 4		
Cost of alterations and additions to the College Buildings - - 554 18 10		
22,217 14 2		
Salaries and Expenses, while gaining practical experience in their profession, of Students retained in this country after having passed out of the Royal Indian Engineering College - - - - - - - - -	3,745 9 2	
Passage to India of Officers on Appointment - -	650 - -	
Furlough Pay and Allowances of Military Officers in the Public Works Department - - - - - -	15,212 6 5	
Absentee Allowances of Civil Officers in the Public Works Department - - - - - - - -	27,839 3 4	
Salaries and Expenses of Native Officers of the Public Works Department while undergoing practical training in this country, and return passages to India -	1,688 8 10	
Deputation Allowance of an Officer attending Railway Conference at Brussels, expenses of Officers of the Public Works Department visiting Works, &c. -	476 15 1	
	71,829 17 -	
Stores for India - - - - - - - - -	47 11 10	
	71,877 8 10	
		78,346 17 -
ARMY:		
Effective.		
Payments to the Imperial Government on account of Disbursements by the War Office in the year 1885–86, in respect of Her Majesty's British Forces serving in India - - - 550,000 - -		
Sum brought to account in adjustment of Credits to the Indian Troop Service, included in the Army Effective Accounts with the War Office - - - - - - - 2,299 2 1		
	552,299 2 1	
Furlough Allowances of Officers of the Indian Service -	100,472 16 11	
Furlough Allowances of Officers of British Regiments serving in India - - - - - - - -	56,318 2 10	
Advances to Regiments proceeding to India - - -	4,876 18 3	
Pay and Allowances during Voyage, of Regiments returning from India - - - - - - -	1,294 15 6	
Indian Troop Service - - - - - - - -	311,590 11 2	
Passage of Officers and Troops otherwise than in Troop Ships - - - - - - - - - -	20,634 10 1	
Outfit Allowance to Officers on promotion to Commissioned Rank - - - - - - - -	500 - -	
Purchase of Stallions - - - - - - - -	11,512 17 11	
Carried forward - - - £.	1,059,499 14 9	- - - 10,325,353 1 3

No. 1.—ACCOUNT of the Receipts and Disbursements of the Home Treasury

	£.	s.	d.	£.	s.	d.
Brought forward - - -	259,074	4	6	2,249,378	5	–
RECEIPTS—*continued.*						
TOTAL RECEIPTS ON ACCOUNT OF REVENUE - - - - -				259,074	4	6
Carried forward - - - £.				2,508,452	9	6

of the Government of *India*, from 1st April 1885 to 31st March 1886—*continued.*

	£.	s.	d.	£.	s.	d.	£.	s.	d.
Brought forward - - -	1,059,499	14	9	-	-	-	10,325,353	1	3
DISBURSEMENTS—*continued.*									
EXPENDITURE—*continued.*									
ARMY—*continued.*									
Effective—continued.									
Pay and Allowances of Surgeons on appointment, &c. -	1,508	10	4						
Expenses incurred by Officers acquiring Scientific Knowledge - - - - - - - - - -	390	17	7						
Freight from India of unserviceable Military Stores, &c.	292	13	8						
Pay of Lieutenant Colonel F. Weldon while in this country in connection with the manufacture of his Range-finder - - - - - - - - -	908	9	8						
Moiety of the Deputation Allowance and Expenses of Officers employed in connection with the Defences of Aden - - - - - - - - - -	365	17	–						
Passages to India of Officers, Representatives of Foreign Powers, invited to be present at the Manœuvres of the Indian Army - - - - - - - - -	400	–	–						
Expenses in connection with the Indian Contingent engaged in the Expedition to Egypt in 1882 - -	1,342	19	1						
Pay and Expenses of Non-Commissioned Officers of the Indian Establishment under Instruction at Woolwich; Pay and Expenses of Artificers having special technical training for various Government Factories in India; and other Miscellaneous Expenditure -	1,717	2	11						
	1,066,426	5	–						
Stores for India:	£.	s.	d.						
Clothing - - - - - -	293,746	19	3						
Ordnance and Miscellaneous - -	428,600	2	2						
Medical - - - - - -	44,050	6	5						
Malt Liquor - - - - - -	30,425	14	2						
Commissariat - - - - -	132,819	4	6						
	929,642	6	6						
				1,996,068	11	6			
Non-Effective.									
Payments to the Imperial Government on account of Retired Pay, Pensions, &c., of Her Majesty's British Forces, for service in India - - - - -	92,000	–	–						
Pay of Non-effective Colonels of Royal Artillery and new Line Regiments - - - - - - -	33,795	13	2						
Pay and Pensions of Non-effective and Retired Officers of the Indian Service - - - - - - -	1,459,592	17	7						
Compassionate Allowances of Officers removed from the Service, &c. - - - - - - - -	2,821	11	4						
Pensions of Non commissioned Officers and Soldiers -	22,297	18	5						
Pensions of Widows and Families of Officers killed in the Mutiny, or otherwise, in Discharge of Duty -	10,835	17	1						
Gratuities to ditto - - - - - - - -	1,020	13	6						
Pensions of Widows and Families of Officers, &c., of the Indian Service - - - - - - - -	62,896	18	4						
Indian Military Service Family Pensions, towards which the Officers subscribed - - - - - - -	6,857	3	10						
Payment to the Representatives of Lord Clive, on account of their Reversionary Claim to the Capital of the late "Lord Clive's Fund" - - - -	1,093	–	–						
Cost of Medals - - - - - - - - -	99	6	8						
				1,693,310	19	11			
							3,689,379	11	5
TOTAL EXPENDITURE CHARGEABLE AGAINST REVENUE (carried forward) - - £.							14,014,732	12	8

No. 1.—Account of the Receipts and Disbursements of the Home Treasury

	£.	s.	d.
Brought forward - - -	2,508,452	9	6
RECEIPTS—*continued.*			
Carried forward - - - £.	2,508,452	9	6

of the Government of *India;* from 1st April 1885 to 31st March 1886 —*continued.*

			£. s. d.
		Brought forward - - -	14,014,732 12 8
DISBURSEMENTS—*continued.*			
EXPENDITURE NOT CHARGED TO REVENUE:		£. s. d.	
CAPITAL OUTLAY ON RAILWAYS AND IRRIGATION WORKS:			
STATE RAILWAYS:	£. s. d.		
Stores for India - - - - - - - -	1,776,591 10 7		
Salary and Expenses of Consulting Engineer and Staff, Pay and Passages of Mechanics on Appointment, &c. - - - - - - - - - - -	10,583 11 –		
		1,787,175 1 7	
IRRIGATION WORKS:			
Stores for India - - - - - - - - - - -		4,450 1 7	
PURCHASE OF THE MADRAS IRRIGATION AND CANAL COMPANY'S UNDERTAKING:			
Further Payment for Law Charges in connection with the winding-up of the Company - - - - - - - - - - -		2,143 13 2	
			1,793,768 16 4
CAPITAL CHARGE INVOLVED IN REDEMPTION OF LIABILITIES:			
EAST INDIAN RAILWAY:			
Redemption of 22,473 *l.* 17 *s.* 3 *d.* of the Annuity, by the issue of India 3½ per cent. Stock, under the provisions of Act 44 & 45 Vict. c. 53; being the amount of Stock issued in exchange (*see* Receipt under "Debt," page 20) - - - - - - - - - -		544,990 18 8	
EASTERN BENGAL RAILWAY:			
Redemption of 22,311 *l.* 10 *s.* 6 *d.* of the Annuity, by the issue of India 3½ per cent. Stock, under the provisions of Acts 44 & 45 Vict. c. 53, and 48 & 49 Vict. c. 25, s. 25; being the amount of Stock issued in exchange (*see* Receipt under "Debt," page 20) - - - -		541,054 7 4	
			1,086,045 6 –
		Carried forward - - - £.	16,894,546 15 –

No. 1.—Account of the Receipts and Disbursements of the Home Treasury

	£.	s.	d.	£.	s.	d.	£.	s.	d.
Brought forward - - -							2,503,452	9	6
RECEIPTS—*continued.*									
DEBT:									
PERMANENT DEBT:									
India 3 per Cent. Stock: Money raised by the issue of 3,500,000 *l.* Stock - - - - - - - - - - - - -				2,984,986	4	3			
India 3½ per Cent. Stock, created under Acts 44 & 45 Vict. c. 53, and 48 & 49 Vict. c. 25, s. 25:—									
In redemption of 22,473*l.* 17*s.* 3*d.* of the East Indian Railway Annuity - - - -	544,990	18	8						
In redemption of 22,311*l.* 10*s.* 6*d.* of the Eastern Bengal Railway Annuity - -	541,054	7	4						
				1,086,045	6	–			
				4,071,031	10	3			
TEMPORARY DEBT:									
Temporary Loans on security of East India Bonds - - - -				1,000,000	–	–			
							5,071,031	10	3
DEPOSITS AND ADVANCES:									
REPAYMENT OF ADVANCES:									
Repayment of Disbursements in England for purchase of Malt Liquor, &c., on behalf of the Imperial Government - - - - -				3,794	6	5			
MISCELLANEOUS DEPOSITS:									
From Her Majesty's Treasury: The remaining Moiety of the Instalment for the year 1885–86 of the Grant-in-Aid of 2,000,000 *l.* on account of the Afghan War, treated as Revenue Receipts in the years 1880–81 and 1881–82 - - -	250,000	–	–						
Refund by the Bombay, Baroda, and Central India Railway Company of a sum, issued to the Company for discharge of Debentures, remaining unclaimed - - - - - - - - -	285	–	–						
				250,285	–	–			
							254,079	6	5
Carried forward - - - £.							7,833,563	6	2

of the Government of *India*, from 1st April 1885 to 31st March 1886—*continued.*

	£.	s.	d.	£.	s.	d.	£.	s.	d.
							Brought forward - - -	16,894,546	15 –
DISBURSEMENTS—*continued.*									
DEBT:									
PERMANENT DEBT DISCHARGED:									
India Debentures - - - - - - - -	1,000	–	–						
India 5 per Cent. Stock - - - - - - -	5,000	–	–						
India 4 per Cent Stock (*see* East Indian Railway and Eastern Bengal Railway Sinking Funds, and Discount Sinking Fund, pages 3 and 12) - -	—								
Eastern Bengal Railway Debentures, due 1st November 1884 - - - - - - - - -	200	–	–						
				6,200	–	–			
TEMPORARY DEBT DISCHARGED:									
Temporary Loans on security of East India Bonds - - - -				1,000,000	–	–			
PAYMENTS OUT OF DEPOSITS OF SERVICE FUNDS BEARING INTEREST:									
India Office Provident Fund:									
Balance of the Fund transferred to Revenue (*see* "Receipts in aid of Superannuation Allowances and Pensions," page 2) - - - - -	25,942	18	9						
Subscriptions refunded - - - - -	4,769	3	6						
				30,712	2	3			
								1,036,912	2 3
DEPOSITS AND ADVANCES:									
ADVANCES REPAYABLE:									
For purchase of Malt Liquor on behalf of the Imperial Government - - - - -	3,635	–	5						
Expenses in England recoverable from the Imperial Government in connection with the employment of Indian Native Troops in the Soudan and Nubia	747	8	3						
Moiety of Expenditure in England on account of Defence Works at Aden, recoverable from the Imperial Government - - - - -	3,070	6	5						
				7,452	15	1			
MISCELLANEOUS DEPOSITS:									
Sum re-issued to the Great Indian Peninsula Railway Company for discharge of certain Debentures, the amount of which, having been long unclaimed, was repaid to the Secretary of State in 1883–84 -				3,100	–	–			
								10,552	15 1
							Carried forward - - - £.	17,942,011	12 4

No. 1.—Account of the Receipts and Disbursements of the Home Treasury

	£.	s.	d.
Brought forward - - -	7,833,563	6	2

RECEIPTS—*continued.*

CAPITAL RECEIPTS FROM RAILWAY COMPANIES:

ON ACCOUNT OF SUBSCRIBED CAPITAL:

	£. s. d.	£. s. d.	£. s. d.
State:			
Indian Midland Railway - -	2,774,052 – –		
Southern Mahratta Railway -	2,130,955 – –		
		4,905,007 – –	
Guaranteed:			
Bombay, Baroda, and Central India Railway - - -	686,000 – –		
Great Indian Peninsula Railway	500,000 – –		
Oude and Rohilkund Railway -	1,236,000 – –		
		2,422,000 – –	
			7,327,007 – –

ON ACCOUNT OF TRANSFER FEES, AND MISCELLANEOUS REFUNDS:

	£. s. d.	£. s. d.	£. s. d.
State:			
Indian Midland Railway - -	41 – –		
Southern Mahratta Railway -	425 5 6		
		466 5 6	
Guaranteed:			
Bombay, Baroda, and Central India Railway - - -	2,755 5 –		
Eastern Bengal Railway (in respect of period to 30th June 1884) - - - - - -	1,103 11 7		
Great Indian Peninsula Railway	684 – 2		
Madras Railway - - -	3,571 18 8		
Oude and Rohilkund Railway -	8,210 19 9		
Scinde, Punjab, and Delhi Railway - - - - - -	2,443 – 7		
South Indian Railway - -	170 11 5		
		18,939 7 2	
			19,405 12 8
			7,346,412 12 8
Carried forward - - - £.			15,179,975 18 10

of the Government of *India*, from 1st April 1885 to 31st March 1886—*continued.*

	£.	s.	d.	£.	s.	d.	£.	s.	d.
							Brought forward - - -	17,942,011	12	4
DISBURSEMENTS—*continued.*									
PAYMENTS TO RAILWAY COMPANIES ON CAPITAL ACCOUNT:*									
FOR DISCHARGE OF DEBENTURES:									
Guaranteed:									
Great Indian Peninsula Railway - - -				39,500	–	–			
Oude and Rohilkund Railway - - - -				246,000	–	–			
							285,500	–	–
ON ACCOUNT OF STORES, ESTABLISHMENT CHARGES, &c.:									
State:	£.	s.	d.						
Indian Midland Railway -	12,721	2	1						
Southern Mahratta Railway -	249,682	2	10						
				262,403	4	11			
Guaranteed:									
Bombay, Baroda, and Central India Railway - - -	227,181	7	9						
Eastern Bengal Railway (in respect of period to 30th June 1884) - - - - - -	96	5	–						
Great Indian Peninsula Railway	705,324	3	7						
Madras Railway - - -	117,734	2	3						
Oude and Rohilkund Railway -	241,812	13	9						
Scinde, Punjab, and Delhi Railway - - - - - -	214,409	10	7						
South Indian Railway - -	140,414	8	1						
				1,646,972	11	–			
							1,909,375	15	11
								2,194,875	15	11
							Carried forward - £ - £.	20,136,887	8	3

* Advances to the East Indian Railway Company, and advances to the Bombay, Baroda, and Central India Railway Company on account of the Rajputana-Malwa Railway, are treated as Remittances. *See* page 25.

No. 1.—Account of the Receipts and Disbursements of the Home Treasury

	£.	s.	d.	£.	s.	d.
Brought forward - - -				15,179,975	18	10
RECEIPTS—*continued.*						
REMITTANCE ACCOUNT BETWEEN ENGLAND AND INDIA:						
Repayments by Her Majesty's Treasury and other Public Departments in respect of						
Bills drawn on India by the Officers in charge of the Treasury Chests at Hong Kong and Ceylon - - - - - - - - -	217,856	5	–			
Expenses attending the employment of Indian Native Troops in the Soudan and Nubia - - - - - - - - - -	632,187	10	–			
Advances in India on account of the Emigration of Coolies, and Supplies to Her Majesty's Ships on the East India Station - - -	121,432	2	1			
Pensions paid in India to Out-pensioners of Chelsea Hospital, &c. -	25,228	10	–			
Pensions paid in India to Native Family Pensioners on account of Expeditions to China, and to retired Hong Kong Police, &c. - -	745	15	–			
Cost of Conveyance of Troops from India to Natal, and other Disbursements in India in connection with the Zulu War - - -	1,375	4	9			
Sums paid in India on behalf of the Imperial Government in connection with the Expedition to Egypt in 1882 - - - - - -	2,528	4	10			
Stores supplied by the Ordnance Department of India to the British Army in Egypt - - - - - - - - - - -	19,889	16	5			
Camp Equipment supplied to the Egyptian Government - - -	3,072	6	3			
Miscellaneous Advances made in India - - - - - - -	11,760	18	9			
	1,036,076	13	1			
Estates remitted from India by Administrators General by means of Bills on London - - - - - - - - - - - - - -	21,618	5	11			
East Indian Railway Company: Transfer Fees and Miscellaneous Refunds -	1,992	17	9			
Rajputana-Malwa Railway: Miscellaneous Refunds - - - - - -	1,953	6	8			
Miscellaneous Receipts - - - - - - - - - - -	8,553	3	5			
Bills of Exchange and Telegraphic Transfers on India - - - - -	10,292,691	15	9			
				11,362,886	2	7
			£.	26,542,862	1	5

India Office, 7 October 1886.

I certify that this Account has been examined under my directions; and that,

India Audit Office,
11 May 1887.

For Statement showing New or Increased Salaries or Pensions granted or created within

of the Government of *India*, from 1st April 1885 to 31st March 1886—*continued.*

	£.	s.	d.	£.	s.	d.
Brought forward - - -				20,136,887	8	3
DISBURSEMENTS—*continued.*						
REMITTANCE ACCOUNT BETWEEN ENGLAND AND INDIA:						
Payments to Her Majesty's Treasury and other Public Departments on account of						
Postage collected in India - - - - - - - - - -	32,416	6	6			
Sums received in India for Money Orders - - - - - -	182,180	13	11			
Little Basses Light Vessel Dues - - - - - - - -	12,181	-	5			
Balances of Shipping Masters' Accounts - - - - - -	3,704	7	8			
Transactions in India in connection with the Expedition to Egypt in 1882 - - - - - - - - - - - - - -	30	8	2			
Balance on one Quarter's account in respect of Stores returned by the British Army in Egypt, in excess of those supplied to it by the Ordnance Department of India - - - - - - - -	3,854	-	10			
Miscellaneous - - - - - - - - - - - - -	783	9	2			
	235,150	6	8			
Advances on account of the Madras Civil Fund - - - - - -	131,500	-	-			
Bills drawn by the Mission to the Court of Persia, in respect of advances made on Indian account (including 167,103*l.* 9*s.* on account of the Afghan Boundary Commission) - - - - - - - - - - -	190,932	9	-			
Family and Miscellaneous Remittances - - - - - - -	323,586	11	1			
Family Allotments of Mechanics, &c. - - - - - - -	4,952	18	8			
Remittances by Administrators General - - - - - - -	61,642	11	5			
East Indian Railway Company: Advances for purchase of Stores, &c. - -	475,330	6	11			
Rajputana-Malwa Railway: Advances for purchase of Stores, &c. - -	136,386	-	3			
Stores chargeable to Provincial and Local Funds and to Native States -	94,224	4	4			
Pay and Pensions chargeable to Native States, Local Funds, &c. - -	16,628	13	5			
Miscellaneous payments to be brought to charge or recovered in India - -	9,055	4	1			
				1,679,389	5	10
TOTAL DISBURSEMENTS - - - £.				21,816,276	14	1
BALANCE on the 31st March 1886, including Sums in the hands of Sub-Accountants				4,726,585	7	4
£.				26,542,862	1	5

Thos. W. Keith, Accountant General.

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subject to the observations contained in the annexed Report, it is correct.

Walter Carew Cocks, Auditor.

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the year 1885-86, *see* pages 42 and 43 of the Home Accounts presented in May 1886, No. 151.

No. 2.

REPORT of the AUDITOR upon the INDIAN HOME ACCOUNTS, from 1st April 1885 to 31st March 1886, prepared, and submitted to Parliament and to the Secretary of State in Council, in pursuance of the 52nd Section of Act 21 & 22 Vict. c. 106.

1. WITH reference to paragraph 3 of my previous Report, I have to state that the various surcharges and disallowances therein alluded to have been disposed of with the exception of the sum of 2 *l.* 9 *s.* 6 *d.* (disallowed), which, although recovered, was not brought to account within the year, and must, therefore, be treated as still outstanding.

2. With reference to paragraph 4, I have to report that "the question relating to the unclaimed balance of Indian Prize Money" has been disposed of.

3. As regards the Messing Allowances referred to in paragraph 5 as outstanding, I have to state that the sum of 102 *l.* 4 *s.* 6 *d.* has been recovered; but that, not having been recovered within the year, it must still stand as a surcharge. Also that, of "the further sum" alluded to as being due, two amounts, 2 *l.* 18 *s.* and 2 *l.* 14 *s.*, included therein were not recovered within the year, and must, therefore, be surcharged. Also that some further small sums are due on account of messing of which, for the same reason as before, the amount cannot be stated.

4. As regards the question referred to in paragraphs 6 and 20, relative to the prices charged by the War Office for warlike stores, I have to report that a Committee has been appointed, and is now sitting, for the consideration of this subject; so that the difficulties which have hitherto attended it may now be considered as in a fair way of solution.

5. Of the various surcharges and disallowances upon the Account for the year 1884-85, amounting to 484 *l.* 13 *s.* 11 *d.* and 58 *l.* 7 *s.* 11 *d.* respectively, the sums of 329 *l.* 3 *s.* 8 *d.* under the former, and 5 *l.* 17 *s.* 11 *d.* under the latter head have been recovered; so that, in connection with that year, the sums of 155 *l.* 10 *s.* 3 *d.* (surcharges) and 52 *l.* 10 *s.* (disallowances) are still outstanding.

6. With reference to paragraph 14 (Marine), I beg to report that the question relating to the "Contribution towards the expenses of Her Majesty's Ships employed in the Indian Seas" having been referred to a joint Committee of India Office and Admiralty Officers, it has been decided that objections raised by me against the latter Department to the amount of 12,722 *l.* 10 *s.* 4 *d.* are valid.

Upon the Account for the present year I beg to offer the following observations:

RECEIPTS.

Buildings and Roads:

7. Royal Indian Engineering College: Sale of Provisions, Farm Produce, &c. - - - - - - - - - - - £. 845. 11 *s.* 2 *d.*

Several outstanding items, amounting in the aggregate to 11 *l.* 15 *s.* 11 *d.*, must be surcharged.

Army—Effective:

8. Value of clothing, accoutrements, &c., in possession of Regiments on their transfer from the Indian to the British Establishment; and proceeds of sales of Unserviceable Stores, &c.

Ordnance and Miscellaneous - - - - - - £. 16,702. 3 *s.* 1 *d.*

There has been an apparent short recovery in respect of a Gun Carriage, &c., but as the correspondence on the subject is still in progress the amount cannot be definitely stated.

Also a sum of 4 *l.* 14 *s.* 5 *d.* short recovered on account of Equipment, &c., of 1st Royal Irish Regiment must be surcharged.

9. Indian

9. Indian Troop Service: Receipts from the Admiralty, Recoveries on account of Messing, &c. - - - - - - - - £. 36,394. 0 *s.* 2 *d.*

The sums of 954 *l.* 3 *s.* 6 *d.* and 322 *l.* 8 *s.* on account of cost of passage to India of certain men of the East Surrey and Royal Irish Regiments; 981 *l.* 0 *s.* 2 *d.*, the estimated cost of conveyance of Imperial Troops in the "India," and 10 *l.* 12 *s.*, the messing of certain officers, must be surcharged.

10. Passage of Officers and Troops: Recoveries on account of Messing - - - - - - - - - - - - £. 338. 19 *s.* 7 *d.*

Sums amounting to 15 *l.* 18 *s.*, due by officers must be surcharged.

DISBURSEMENTS.

General Administration:

11. Telegrams to India - - - - - - - - - £. 18,118. 14 *s.* 9 *d.*

An outstanding credit of 3 *l.* 8 *s.* 9 *d.* in respect of a Telegram must be surcharged.

Medical:

12. Maintenance of Lunatics elsewhere than in the Royal India Lunatic Asylum - - - - - - - - - - - - £. 477. 15 *s.* 11 *d.*

An overpayment of 4 *s.* must be disallowed.

Superannuation Allowances and Pensions:

13. Relief to distressed Natives of India - - - - - - £. 323. 12 *s.* 5 *d.*

The sum of 2 *l.* 5 *s.* 6 *d.*, being the unexpended portion of an advance on account of the passage expenses of two Natives, must be disallowed.

Buildings and Roads:

14. Royal Indian Engineering College: Salaries of President, Professors, &c.; Wages of Servants; Provisions and Contingent Expenses - - - - - - - - - - £. 21,394. 8 *s.* 7 *d.*

The unexpended balance of an advance for the purchase of Books, Maps, and illustrative Specimens, viz., 35 *l.* 5 *s.* 10 *d.*, must be disallowed.

Army—Effective:

15. Advances to Regiments proceeding to India - - - - - £. 4,876. 18 *s.* 3 *d.*

The sums of 201 *l.* 0 *s.* 10 *d.* and 163 *l.* 17 *s.* 3 *d.*, being the alleged overcharge in respect of pay of certain men of the East Surrey and Royal Irish Regiments, must be disallowed.

16. Indian Troop Service - - - - - - - - - £. 311,590. 11 *s.* 2 *d.*

The sums of 13 *s.* 8 *d.*, 33 *l.* 4 *s.* 6 *d.*, and 1 *l.* 1 *l.*, having been overcharged, must be disallowed.

17. Stores for India: Ordnance and Miscellaneous - - - £.428,600. 2*s.* 2 *d.*

The sums of 291 *l.* 8 *s.* 2 *d.*, 2 *s.* 6 *d.*, 1 *l.* 17 *s.* 7 *d.*, and 511 *l.* 13 *s.* 8 *d.*, being admitted overcharges but not recovered within the year, must be disallowed.

	£.	*s.*	*d.*	£.	*s.*	*d.*	£.	*s.*	*d.*
To the balance on the present Account, which is shown as - -							4,726,585	7	4
the following sums will have to be added:—									
Surcharges on previous Accounts -	263	6	9						
Ditto - present Account -	2,304	-	9						
				2,567	7	6			
Disallowances on previous Accounts	54	19	6						
Ditto - present Account -	1,242	14	6						
				1,297	14	-			
							3,865	1	6
							£. 4,730,450	8	10

India Audit Office,
11 May 1887.

Walter Carew Cocks, Auditor.

No. 3.

REPORT of the AUDITOR of the INDIAN HOME ACCOUNTS on the STORES ACCOUNTS, from 1st April 1885 to 31st March 1886; prepared, and submitted to Parliament and to the Secretary of State in Council, in pursuance of 52nd Section of Act 21 & 22 Vict. c. 106.

IN my Report for the Year 1884-85 I stated that the number of packing accounts outstanding in respect of the years 1882-83 and 1883-84 were 26 and 17 respectively. None of these have been returned, and it is not now probable that any more will be received.

Of the 45 packing accounts of 1884-85 unaccounted for seven have been received, leaving 38 still outstanding.

Of those for the year now reported on 52 have not been returned, out of a total issue of 2,955.

A few questions have arisen on the packing accounts which have been received, such as an unsettled claim for general average, some short deliveries of stores, &c., which are still under consideration.

India Audit Office,
11 May 1887.

Walter Carew Cocks, Auditor.

No. 4.

STATEMENT of the NET EXPENDITURE incurred on account of the ROYAL INDIAN ENGINEERING COLLEGE, during the Year ended 31st March 1886.

	£.	s.	d.	£.	s.	d.
Salaries and Allowances of President, Professors, Lecturers, Examiners, Chaplain, &c.				9,174	16	–
Steward's Salary, Wages of Servants, Expenses of the Laundry, &c.				2,251	16	5
Rates and Taxes, Maintenance of Building, Repairs of Furniture, &c.				2,093	19	2
Lights, Fuel, and other House Articles				999	17	3
Provisions, Wines, &c.				3,817	14	7
Advertisements, Postage, Travelling Expenses, &c.				460	3	10
Library, Laboratory, Workshops, &c., and Expenses of Students visiting Works, &c.				1,757	12	3
				20,555	19	6
Deduct:—						
Receipts on account of Garden, Farm, and Dairy, in excess of Expenditure				7	2	1
	£.	s.	d.			
Expenditure (page 15)	21,394	8	7			
Less,—Sale of Provisions, Farm Produce, &c. (page 4)	845	11	2	20,548	17	5
Deduct:—						
Fees and Caution Money received from Students:	£.	s.	d.			
In England (page 4)	18,905	5	4			
Less,—Refunds of Caution Money (page 15)	268	6	9	18,636	18	7
In India:						
Finance and Revenue Accounts (page 139)	55	–	–			
„ „ (page 140)	1,334	–	–	1,389	–	–
				20,025	18	7
Net Expenditure, excluding Interest on Capital Outlay				£.		522 18 10
Cost of alterations and additions to the College Buildings (page 15)					£.	554 18 10

Thos. W. Keith, Accountant General.

No. 5.

INDO-EUROPEAN GOVERNMENT TELEGRAPH DEPARTMENT.

SUMMARY of EXPENDITURE on CAPITAL ACCOUNT, to 31st March 1886.

	Charges.	Credits.	£. s. d.
Total Capital Expenditure to 31st March 1885			1,128,952 15 9
Capital Expenditure from 1st April 1885 to 31st March 1886:			
IN INDIA:	£. s. d.	£. s. d.	
Works	35 11 4	—	
„ (Expenditure of Public Works Department)	493 14 –	—	
Tools and Plant	56 – 3	—	
Suspense Heads:			
Stores	22,313 18 –	105,911 13 4	
Advances	7,119 15 1	7,846 6 4	
	30,018 18 8	113,757 19 8	
IN ENGLAND:			
Tools and Plant	7 16 –	—	
Suspense Head, "Stores"	84,825 17 1	—	
	84,833 13 1	—	
TOTAL £.	114,852 11 9	113,757 19 8	
			1,094 12 1
Deduct:—			1,130,047 7 10
Miscellaneous Receipts in England:			
Sale proceeds of Cable cores returned from India			71 13 2
TOTAL Capital Expenditure to 31st March 1886 £.			1,129,975 14 8

	£. s. d.
As above	— *113,757 19* 8
„	30,018 18 8
Finance and Revenue Accounts, p. 56	— £. *83,739 1* –

No. 5.—Indo-European Government Telegraph Department—*continued.*

Dr. REVENUE ACCOUNT for the Year ended 31st March 1886. *Cr.*

	Persian Gulf Section.	Persian Section.	£. s. d.
To Traffic Earnings during the Year:			
	£. s. d.	£. s. d.	
Gross Earnings[1]	105,656 12 3	16,952 – 1	
Common Purse:			
Credits	93,296 – 3	14,020 18 9	
Debits	73,957 13 11	11,865 19 8	
Balance due to Common Purse £.	19,338 6 4	2,154 19 1	
Total Traffic Receipts £.	86,318 5 11	14,797 1 –	101,115 6 11
To Miscellaneous Receipts:			
In India	266 17 7	495 17 1	
Finance and Revenue Accounts, p. 56.			762 14 8
To Profit and Loss:			
Unsettled Traffic, 1882-83, written off	50 6 6	—	50 6 6
To Balance, being Excess of Charges over Receipts			60,079 1 3
£.			162,007 9 4

	Persian Gulf Section.	Persian Section.	£. s. d.
By Expenditure during the Year:			
	£. s. d.	£. s. d.	
Line Maintenance and Working:			
In India	132,101 – –	16,464 19 –	
Finance and Revenue Accounts, p. 56. (£. 131,285 + £. 816 = £. 132,101.)			
In England	7,135 17 11	6,305 12 5	
£.	139,236 17 11*	22,770 11 5	162,007 9 4

* Above expenditure includes 76,372 *l.* 9 *s.* 4 *d.* for renewal of Jask-Bushire Cable.

Expenditure in England.

	£. s. d.
As above	7,135 17 11
„	6,305 12 5
Capital Account	84,833 13 1
Amount in Home Accounts, page 5 £.	98,275 3 5

£. 162,007 9 4

No. 5.—INDO-EUROPEAN GOVERNMENT TELEGRAPH DEPARTMENT—*continued.*

TRANSACTIONS on REVENUE ACCOUNT during the Year ended 31st March 1886, showing their agreement with the FINANCE and REVENUE ACCOUNTS.

	£. s. d.	£. s. d.	£. s. d.
Amounts Receivable or in Suspense, 31st March 1885 -	- - -	12,817 9 9	
Less,—			
Amounts Payable or in Suspense - - ditto - -	- - -	6,116 8 8	
			6,701 1 1
EXPENDITURE during the Year:			
In India (Finance and Revenue Accounts, p. 56) -	148,565 19 –		
In England { Home Accounts (p. 5) - £.98,275 3 5 / *Less,*—Charged to Capital 84,833 13 1 }	13,441 10 4		
		162,007 9 4	
Less,—			
CASH RECEIPTS:			
In India (Finance and Revenue Accounts, p. 56) -	74,084 16 3		
In England { Home Accounts (p. 2) - £.35,560 8 – / *Less,*—Credited to Capital 71 13 2 }	35,488 14 10		
		109,573 11 1	
			52,433 18 3
Amounts Outstanding, 31st March 1886, viz.:			
Amounts Receivable or in Suspense - - - - - -		10,197 14 4	
Less,—			
Amounts Payable or in Suspense - - - - - - -		11,141 16 3	
			944 1 11
BALANCE, being Excess of Charges over Receipts, as per REVENUE ACCOUNT - - £.			60,079 1 3

London Office,
7 April 1887.

A. Brasher,
Director of Traffic.

No. 6.

ACCOUNT of the CHARGES and RECEIPTS in respect of the INDIAN TROOP SERVICE, from 1st April 1885 to 31st March 1886.

	£.	s.	d.
1. Capital Charges of the Service	—		
2. Salaries, &c. of Establishments in England, Egypt, and India	7,088	5	2
3. Repairs and Naval and Gunners' Stores for the Troop Ships	55,875	3	6
4. Furniture, Lamps, and Mess Articles for the Troop Ships	3,199	1	1
5. Coals for the Troop Ships	36,009	—	8
6. Mess of Officers on board the Troop Ships	24,243	11	4
7. Provisions and Stores for Troops and Horses	24,924	3	3
8. Pay, Victualling, &c. of the Crews of the Troop Ships	64,677	1	1
9. Miscellaneous Charges of the Troop Ships	1,682	14	1
10. Suez Canal Transit Charges	39,158	2	10
11. Repairs, Stores, &c. for the Steam Launch and Boats, and for the Royal Victoria Buildings at Suez	816	—	8
12. Miscellaneous Expenses of the Service	2,410	5	3
13. Cost of Conveyance of Troops in other than Indian Troop Ships	60,672	12	8
	320,756	1	7
Deduct,—	£. s. d.		
Receipts from the Imperial Government for employment of the Troop Ships, and for passages of Officers and Men on Imperial Service	10,650 16 1		
Credit in respect of the conveyance of Passengers, Stallions, and Stores on the General Service of India	1,625 14 4		
Recoveries on account of the Messing of Officers, &c., and the Rations of Troops	26,141 17 4		
Proceeds of Sale of Old and Unserviceable Stores, and recoveries for losses or damage of Stores, and for Forage supplied to Officers' Horses	4,737 1 8		
	43,155	9	5
	277,600	12	2
Add,—			
Disbursements through the Troop Service Accounts for other Services	603	9	1
£.	278,204	1	3

Net Expenditure as shown in the Home Accounts :—	£. s. d.	£. s. d.	
Disbursements (page 15)	311,590 11 2		
Receipts (page 6)	36,394 — 2	275,196 11 —	
Net Expenditure in Finance and Revenue Accounts :—			
Disbursements (page 166)	9,437 9 5		
Receipts (page 160)	6,429 19 2	3,007 10 3	
			278,204 1 3

F. W. Sullivan,
Director of Transports.

I concur.

A. W. Chitty,
Consulting Officer, Indian Troop Service.

Admiralty, 7 February 1887.

No. 7. - - - - - - - -

COMPARISON of the ESTIMATED and ACTUAL RECEIPTS and DISBURSEMENTS

RECEIPTS.	1885-86. Budget Estimate, March 1885.	1885-86. Account.	Increase.	Decrease.	
REVENUE:					
FOREST:	£.	£.	£.	£.	
Receipts from Students for the Indian Forest Department, on account of their expenses at the Forest School at Nancy - - - -	900	832	- -	68	1
INTEREST:					
Interest realised from Investment of Cash Balance, &c. - - -	10,000	9,136	- -	864	2
TELEGRAPH:					
Indo-European Telegraph - - - - - - - - -	26,100	35,560	9,460	- -	3
MEDICAL:					
Pensions, &c., of Inmates of the Royal India Lunatic Asylum, appropriated to their maintenance, &c. - - - - - - - -	2,000	2,537	537	—	4
SCIENTIFIC AND OTHER MINOR DEPARTMENTS:					
Sale Proceeds of Books, Maps, &c. - - - - - - - -	500	137	- -	363	5
RECEIPTS IN AID OF SUPERANNUATION ALLOWANCES AND PENSIONS:					
Subscriptions, &c. to the Widows' Funds of the Home Establishment of the East India Company - - - - - - - -	9,600	9,682	82	—	6
Balance of the India Office Provident Fund on its being closed and its liabilities assumed by the Secretary of State, and subscriptions in respect of the Fund during the year - - - - - -	- -	27,757	27,757	- -	7
Subscriptions in respect of the Indian Civil, Military and Medical Funds, and the Indian Navy Fund - - - - - - -	85,000	87,787	2,787	- -	8
Subscriptions towards Indian Civil Service Family Pensions - -	- -	104	104	—	9
MISCELLANEOUS:					
Miscellaneous receipts connected with the supply of Stores to India, and sundry items - - - - - - - - - -	3,000	6,297	3,297	- -	10
RAILWAYS:					
STATE RAILWAYS:					
East Indian Railway: Rent of Premises occupied by the Company	200	230	30	—	11
BUILDINGS AND ROADS:					
CIVIL WORKS AND MISCELLANEOUS SERVICES:					
Royal Indian Engineering College: Fees from Students, &c. -	21,200	19,751	- -	1,449	12
ARMY:					
Effective.					
Value of Clothing, Accoutrements, &c. in possession of Regiments on their transfer from the Indian to the British Establishment; proceeds of Sales of unserviceable Stores; receipts on account of the Indian Troop Service; recoveries on account of Messing, &c. - - - - - - - - - - - - -	36,000	56,168	20,168	- -	13
Non-effective.					
Subscriptions towards Indian Military Service Family Pensions -	3,400	3,096	- -	304	14
TOTAL RECEIPTS ON ACCOUNT OF REVENUE - - £.	197,900	259,074			

- - - - - - - - No. 7.

of the HOME TREASURY of the GOVERNMENT of *India*, for the Year 1885-86.

	EXPLANATIONS OF INCREASE OR DECREASE.
3	Owing to increased traffic by the Indo-European route, consequent on a break-down on the Eastern Telegraph Company's line. The increase would, moreover, have appeared very much larger, but that payments on the Common Purse Account, which were shown as disbursements in the Budget Estimate, have, in the Account, been deducted from receipts.
7	*See* note against "Payments out of Deposits of Service Funds bearing Interest" (page 43). The sum of 27,757 *l.* consists of 25,943 *l.*, the balance of the Fund, and 1,814 *l.* subscriptions during the year.
8	The increase occurs mainly in the receipts on account of the Bengal and Bombay Civil Funds and the Bengal Military Fund.
10	The increase occurs in recoveries on account of Marine Insurance and Fees.
12	Owing to there being a smaller number of Students at the College than was expected.
13	The increase occurs in the value of accoutrements, &c., in possession of Regiments on their transfer from the Indian to the British Establishment, and in receipts on account of the Indian Troop Service.
14	In consequence of the smaller number of Officers on furlough.

No. 7.—COMPARISON of the Estimated and Actual Receipts and Disbursements

RECEIPTS—*continued.*	1885-86. Budget Estimate, March 1885.	1885-86. Account.	Increase.	Decrease.	
	£.	£.	£.	£.	
Brought forward	197,900	259,074			
DEBT:					
PERMANENT DEBT:					
India 3 per Cent. Stock: Money raised by the issue of Stock	2,225,000	2,984,986	759,986	- -	1
India 3½ per Cent. Stock, created under Acts 44 & 45 Vict. c. 53, and 48 & 49 Vict. c. 25, s. 25:					
In redemption of 22,473 *l.* 17 *s.* 3 *d.* of the East Indian Railway Annuity	- -	544,991	544,991	- -	2
In redemption of 22,311 *l.* 10 *s.* 6 *d.* of the Eastern Bengal Railway Annuity	- -	541,054	541,054	- -	3
TEMPORARY DEBT:					
Temporary Loans on security of East India Bonds	- -	1,000,000	1,000,000	- -	4
RECEIPTS ON ACCOUNT OF SERVICE FUNDS BEARING INTEREST:					
India Office Provident Fund	4,800	- -	- -	4,800	5
	2,229,800	5,071,031			
DEPOSITS AND ADVANCES:					
REPAYMENT OF ADVANCES:					
Repayment of Disbursements in England for purchase of Malt Liquor on behalf of the Imperial Government, &c.	2,000	3,795	1,795	—	6
MISCELLANEOUS DEPOSITS:					
From Her Majesty's Treasury: Remaining moiety of the instalment for the year 1885-86 of the Grant in aid of 3,000,000 *l.* on account of the Afghan War, treated as Revenue Receipts in the years 1880-81 and 1881-82	250,000	250,000	—	—	7
Refund by the Bombay, Baroda, and Central India Railway Company of a sum, issued to the Company for discharge of Debentures, remaining unclaimed	- -	285	285	- -	8
	252,000	254,080			
CAPITAL RECEIPTS FROM RAILWAY COMPANIES:					
ON ACCOUNT OF SUBSCRIBED CAPITAL	3,464,800	7,327,007	3,862,207	- -	9
ON ACCOUNT OF TRANSFER FEES AND MISCELLANEOUS REFUNDS	- -	19,406	19,406	- -	10
	3,464,800	7,346,413			
REMITTANCE ACCOUNT BETWEEN ENGLAND AND INDIA:					
Repayments by Her Majesty's Treasury and other Public Departments, in respect of—					
Bills drawn on India by the Officers in charge of the Treasury Chests at Hong Kong and Ceylon	170,000	217,856	47,856	- -	11
Expenses attending the employment of Indian Native Troops in the Soudan and Nubia	806,200	632,188	- -	174,012	12
Advances in India on account of Emigration of Coolies, Chelsea Out-pensioners paid in India, Supplies to Her Majesty's Ships on the East India Station, &c.	90,000	186,033	96,033	- -	13
Estates remitted from India by Administrators General by means of Bills on London	20,000	21,618	1,618	—	14
East Indian Railway Company: Transfer Fees and Miscellaneous Refunds	500	1,993	1,493	—	15
Rajputana-Malwa Railway: Miscellaneous Refunds	- -	1,953	1,953	- -	16
Miscellaneous Receipts	2,000	8,553	6,553	- -	17
Bills of Exchange and Telegraphic Transfers on India	13,773,700	10,292,692	- -	3,481,008	18
	14,862,400	11,362,886			
TOTAL RECEIPTS £.	21,006,900	24,293,484			

of the Home Treasury of the Government of *India*, for the Year 1885-86—*continued*.

	EXPLANATIONS OF INCREASE OR DECREASE.
1	The increase was rendered necessary by the reduction in the Drawings on India.
2 3	When the Budget Estimate was prepared, such redemptions had been discontinued. Holders of Annuities, Class A., were, however, on the 17th November 1885, allowed the option of exchanging their holdings for India 3½ per cent. Stock, at the rate of 24 *l.* 5 *s.* of Stock for each 1 *l.* of Annuity, until the 20th February 1886. (*See* page 42.)
4	In the uncertainty as to the amount that it would be requisite to borrow temporarily, no sum was entered in the Budget Estimate. (*See* page 42.)
5	*See* note against "Payments out of Deposits of Service Funds bearing interest" (page 43).
8	Exceptional receipt.
9	In addition to the sums comprised in the Budget Estimate, 2,774,052 *l.* was received from the Indian Midland Railway Company, and 2,130,955 *l.* from the Southern Mahratta Railway Company (including 1,224,000 *l.* on account of the Mysore Railway). On the other hand, the receipts from the Great Indian Peninsula, and Oude and Rohilkund Railway Companies fell short by 608,300 *l.* and 409,000 *l.* respectively, mainly owing to Debentures having been renewed instead of being replaced by fresh capital. (*See* page 42.)
10	These receipts are very uncertain and generally small, and consequently they are not estimated.
11	The amount of Bills drawn at Hong Kong was greater than was estimated in March 1885, and Bills were also drawn by the Officer in charge of the Treasury Chest in Ceylon, which were not provided for in the Budget Estimate.
12	The Budget Estimate provided for the recovery from the Imperial Government during the year of the whole amount estimated to be expended. The decrease is owing partly to a portion of the expenditure not having been recovered in the absence of Accounts, and partly to the direct remittance to Egypt by the Treasury of 80,000 *l.* in specie.
13	The difference occurs mainly in the repayment of advances on account of Coolie Emigration, and of the value of Ordnance Stores supplied to the British Army in Egypt.
16	Refund on account of Coal lost in transit to India.
17	The Account includes 4,647 *l.* on account of the "Lord Lawrence Memorial Fund," and 1,500 *l.* received from the Royal Commission for the Colonial and Indian Exhibition towards the cost of ornamental screens to enclose the Indian Courts of the Exhibition.
18	The Budget provided for the sale of 1,740 lakhs, at 1 *s.* 7 *d.* the rupee, to produce 13,773,700 *l.* This was reduced by 272 lakhs at the request of the Government of India, and further by 115 lakhs owing to the small demand for Bills at the end of the year, leaving 1,353 lakhs, which, at 1 *s.* 7 *d.* the rupee, would have produced 10,711,200 *l.*, showing a decrease of 3,062,500 *l.* The remainder of the decrease is owing to the fall in the rate of exchange.

No. 7.—Comparison of the Estimated and Actual Receipts and Disbursements

DISBURSEMENTS. EXPENDITURE:	1885–86. Budget Estimate, March 1885.	1885–86. Account.	Increase.	Decrease.	
	£.	£.	£.	£.	
LAND REVENUE:					
Law Charges in connection with Appeals from India	500	206	- -	294	1
Stores for India	-	126	126	- -	2
OPIUM:					
Stores for India	4,500	4,710	210	—	3
SALT:					
Stores for India	-	1,722	1,722	- -	4
STAMPS:					
Stores for India	44,700	48,543	3,843	- -	5
EXCISE:					
Stores for India	-	886	886	- -	6
FOREST:					
Expenses attending the instruction of successful Candidates for the Indian Forest Department, &c.	4,200	2,947	- -	1,253	7
Stores for India	100	3	- -	97	8
INTEREST ON DEBT (EXCLUDING THAT CHARGED TO RAILWAYS):					
Interest on Loans contracted in England	2,398,600	2,381,466	- -	17,134	9
Interest on the Indian Transfer Loan of 22nd April 1854	45,500	44,761	- -	739	10
Discount Sinking Fund, in redemption of debt incurred in excess of money raised	-	2,721	2,721	- -	11
INTEREST ON OTHER OBLIGATIONS:					
Interest on the Balance of the India Office Provident Fund	1,300	-	- -	1,300	12
Interest on Deposits in Regimental Savings Banks of Men returned from India	1,000	295	- -	705	13
POST OFFICE:					
Payments under the Postal arrangement with the Lords of Her Majesty's Treasury	70,000	68,000	- -	2,000	14
Stores for India	57,300	37,139	- -	20,161	15
TELEGRAPH:					
Indo-European Telegraph	31,100	98,275	67,175	- -	16
Red Sea and India Telegraph	18,000	18,027	27	—	17
Indian Telegraph Department: Absentee Allowances and Contingent Expenses	8,000	6,122	- -	1,878	18
Telegraph Lines in India: Stores for India	175,000	145,437	- -	29,563	19
MINT:					
Stores for India	10,300	21,904	11,604	- -	20
Other Payments	-	358	358	—	21
GENERAL ADMINISTRATION:					
Home Establishments, &c.	225,500	238,934	13,434	- -	22
Payments on account of Administration in India	1,600	2,664	1,064	- -	23
Stores for India	10,000	20,984	10,984	- -	24
LAW AND JUSTICE:					
Stores for India	300	159	- -	141	25
Other Payments	2,000	950	- -	1,050	26
MARINE:					
Contribution towards the Expenses of Her Majesty's Ships employed in the Indian Seas	73,600	72,194	- -	1,406	27
Sundry items	2,000	1,910	- -	90	28
Stores for India	81,800	69,062	- -	12,738	29
EDUCATION:					
Passage to India of Educational Officers on appointment, &c.	200	381	181	- -	30
ECCLESIASTICAL:					
Passage to India of Chaplains on appointment	300	609	309	- -	31
MEDICAL:					
Expenses of the Royal India Lunatic Asylum, Maintenance of Lunatics elsewhere, &c.	7,600	8,667	1,067	- -	32
POLITICAL:					
Mission to the Court of Persia	10,000	10,000	—	—	33
Her Majesty's Establishments in China	15,000	15,000	—	—	34
Sundry items	4,000	7,566	3,566	- -	35
Stores for India	300	293	- -	7	36
Carried forward £.	3,304,300	3,333,021			

of the Home Treasury of the Government of *India*, for the Year 1885–86—*continued*.

	EXPLANATIONS OF INCREASE OR DECREASE.
2	Owing to unexpected demands from Madras.
4	Consequent on two indents from Madras, of which no estimate had been previously received.
5	The indents somewhat exceeded the estimates received from India.
6	No estimate for these Stores was received from India.
7	Consequent on the arrangement under which newly selected candidates are instructed at the Royal Indian Engineering College.
9	The decrease occurs under the following heads:— £. India 3 per Cent. Stock - - - - - - - - - - - - - - - - - - 7,503 Temporary Loans - - - - - - - - - - - - - - - - - - 8,589 Outstanding Dividends unclaimed for Ten Years, &c. - - - - - - - - - - - 1,042 £. 17,134
10	The payments on account of dividends remaining unclaimed for ten years fell short of the provision made in the Budget.
11	It has been decided that when a Loan is raised at a discount, the whole amount of such discount shall not be charged in the year in which the Debt is incurred; but that in each year up to the date when the option will first arise of redeeming the principal sum borrowed, such a sum shall be charged as, if invested annually at 3 per cent., will, at the end of the period, amount to the principal sum of Debt incurred in excess of the money raised thereby. The sum of 2,721 *l.* has accordingly been invested in respect of the Discount involved in the issue of 3,500,000 *l.* India 3 per cent. Stock in this year.
12	The Fund having been taken over by the Secretary of State, the charge for interest has ceased. *See* note against "Payments out of Deposits of Service Funds bearing interest."
14	The contribution was reduced under a new arrangement.
15	The indents were rather less than was indicated in the estimates received from India, and the payments for the supplies were not made in the year 1885–86 to the extent that was anticipated.
16	The increase mainly arises from the payment of 74,757 *l.* on account of the new Persian Gulf Cable. *See* also note against Receipts on this account.
18	The decrease occurs in the Absentee Allowances.
19	The materials were obtained at lower prices than was anticipated.
20	The Stores included in the Bombay indent proved much more costly than was expected.
22	An increase occurred of 11,619 *l.* in Telegrams to India, and 2,911 *l.* in Charges of the Store Department (including 1,860 *l.* for arrears of rates on the Depôt Buildings).
23	Owing to payments for Parliamentary Papers for India having been made in respect of two years. Those for 1884–85 included the Reports of the Indian Famine Commission, and amounted to 996 *l.*
24	The demand for Currency Notes proved heavier than was expected.
26	The Budget Estimate included Outfit Allowance for two Judges, but only one went to India.
27	In the Budget Estimate provision was made for the payment of 3,600 *l.* on account of Allowances to Interpreters on board Her Majesty's ships, but 2,194 *l.* only was paid.
29	The decrease occurs in Stores for Bombay.
30, 31	Four Educational Officers and six Chaplains went to India during the year beyond the numbers anticipated.
32	The Account includes the balance of expenditure attending the deputation sent to India to conduct investigations r[redacted] Cholera, and the remuneration and travelling expenses of representatives of the Indian Government at the Int[redacted] Sanitary Conference at Rome.
35	The Account includes a sum of 5,000 *l.* placed at the disposal of the Secretary of State for India for Secret Service; but, on the other hand, the payments in connection with the Afghan Boundary Commission fell short of the Budget Estimat[redacted].

No. 7.—Comparison of the Estimated and Actual Receipts and Disbursements

DISBURSEMENTS—*continued.* **Expenditure**—*continued.*	1885-86. Budget Estimate, March 1885.	1885-86. Account.	Increase.	Decrease.	
	£.	£.	£.	£.	
Brought forward	3,364,300	3,333,021			
SCIENTIFIC AND OTHER MINOR DEPARTMENTS:					
Stores for India	8,600	7,278	-	1,322	1
Other Payments	11,000	9,233	-	1,767	2
TERRITORIAL AND POLITICAL PENSIONS:					
His Highness Maharajah Duleep Singh	21,100	21,064	-	36	3
Members of the Bengal Nizamut Family	200	998	798	-	4
CIVIL FURLOUGH AND ABSENTEE ALLOWANCES	220,000	196,191	-	23,809	5
SUPERANNUATION ALLOWANCES AND PENSIONS	1,549,000	1,506,051	-	42,949	6
STATIONERY AND PRINTING:					
Stationery, Printing, and Bookbinding for the India Office, &c.	8,000	7,243	-	* 757	7
Stores for India	127,000	67,294	-	59,706	8
MISCELLANEOUS:					
Examination Expenses and Allowances of Candidates for the Civil Service of India, &c.	18,000	17,237	-	763	9
Miscellaneous Charges connected with the Supply of Stores to India	8,000	14,141	6,141	-	10
CONSTRUCTION OF RAILWAYS (CHARGED AGAINST REVENUE):					
RAILWAYS—FRONTIER: Stores for India	400,000	-	-	400,000	11
RAILWAY REVENUE ACCOUNT:					
STATE RAILWAYS—INTEREST ON DEBT:					
East Indian Railway	331,200	331,761	561	-	12
Eastern Bengal Railway	32,700	34,394	1,694	-	13
STATE RAILWAYS—ANNUITIES IN PURCHASE OF RAILWAYS (INCLUDING SINKING FUNDS):					
East Indian Railway	1,178,000	1,181,770	3,770	-	14
Eastern Bengal Railway	139,300	142,261	2,961	-	15
STATE RAILWAYS—INTEREST ON CAPITAL DEPOSITED BY COMPANIES:					
Bengal Central Railway	-	24,802	24,802	-	16
Indian Midland Railway	-	22,263	22,263	-	17
Southern Mahratta Railway	141,000	148,821	7,821	-	18
GUARANTEED COMPANIES—INTEREST	3,205,000	3,180,735	-	24,265	19
IRRIGATION:					
MINOR WORKS AND NAVIGATION:					
Stores for India	1,200	449	-	751	20
BUILDINGS AND ROADS:					
MILITARY WORKS:					
Stores for India	2,200	6,469	4,269	-	21
CIVIL WORKS AND MISCELLANEOUS SERVICES:					
Furlough Pay and Allowances of Officers in the Public Works Department	50,000	43,051	-	6,949	22
Royal Indian Engineering College	20,800	22,218	1,418	-	23
Sundry items	5,000	6,561	1,561	-	24
Stores for India	100	47	-	53	25
ARMY:					
Effective.					
Home Charges of British Forces serving in India	620,000	614,789	-	5,211	26
Furlough Allowances of Officers of the Indian Service	170,000	100,473	-	69,527	27
Indian Troop Service	256,700	311,591	54,891	-	28
Passage of Officers and Troops otherwise than in Troop Ships	4,700	20,634	15,934	-	29
Miscellaneous	17,000	18,940	1,940	-	30
Stores for India	455,500	929,642	474,142	-	31
Non-Effective.					
Pay, &c., of British Forces, on account of service in India	481,000	125,796	-	355,204	32
Pensions of Non-Effective and Retired Officers of the Indian Service	1,460,000	1,459,593	-	407	33
Miscellaneous Pensions, &c. (formerly described as Lord Clive's Fund)	102,000	101,065	-	935	34
Indian Military Service Family Pensions	6,000	6,857	857	—	35
TOTAL EXPENDITURE CHARGEABLE AGAINST REVENUE carried forward	£. 14,354,600	14,014,733			

of the Home Treasury of the Government of *India*, for the Year 1885-86—*continued.*

	EXPLANATIONS OF INCREASE OR DECREASE.
1	The decrease occurs mainly in Stores for Madras and Bombay.
2	The decrease occurs mainly in payments on account of objects of a literary and scientific character.
4	Accounted for by the payment of Pensions recently granted to certain members of the Nizamut Family, with effect from the date of the death of the Ex-Nawab Nazim.
5	Consequent on the large decrease in the number of Officers on furlough.
6	The Estimate for the Bengal Civil Fund was based on insufficient data, and the payments were over-estimated by 18,209 *l.* The remainder of the decrease occurs mainly in the payments on account of Uncovenanted Service of India Pensions and the Military and Medical Funds.
8	Consequent on reduced demands from Calcutta and Madras.
10	The increase occurs in payments on account of Marine Insurance, Commission on Freight, and Dock Charges.
11	Included in the Account under "Expenditure not charged to Revenue—State Railways." (*See* page 42.)
12 13	Owing to the issue of India 3½ per cent. Stock in redemption of East Indian and Eastern Bengal Railway Annuities, not provided for in the Budget Estimate.
14 15	The redemption of the Annuities referred to in the preceding note involved the payment of these sums in 1885-86, which would not otherwise have become due until 1886-87.
16	It was not anticipated that any further payments in respect of Interest would be made to this Company.
17	The arrangements with this Company had not been determined when the Budget Estimate was framed.
18	Owing to further receipts on account of Capital.
19	Owing to Capital not having been paid up so early as was expected.
20	The Madras indents fell short of the estimate received from that Presidency.
21	A large payment was made for the Khundilani Bridge on the Bolan Pass Road, for which no provision was made in the estimate received from India.
22	The decrease occurs in the payments to Military Officers.
23	Mainly owing to the arrangements made for the education of Forest Students at the College.
24	The increase occurs mainly in the expenses of Native Officers of the Public Works Department undergoing practical training in this country.
26	The decrease is more than accounted for in the Pay of Regiments during the voyage to and from India.
27	Consequent on the recall to duty of a large number of Officers on furlough in this country, and on a smaller number taking furlough than had been estimated.
28	The increase is owing to the cost of the conveyance of Troops in Vessels hired by the Transport Department, in addition to those conveyed in the Troopships.
29	Consequent on the recall to duty of a large number of Officers on furlough, for whom passage was not provided by the Transport Department.
30	The increase occurs mainly in the purchase of stallions.
31	Owing to large unforeseen demands for Ordnance, Commissariat, and Clothing Stores.
32	Under the new arrangement with Her Majesty's Treasury for calculating the charges against India for Non-effective Pay, &c., the payment in 1885–86 was only 92,000 *l.*, besides 33,796 *l.*, pay of Non-effective Colonels.

No. 7.—Comparison of the Estimated and Actual Receipts and Disbursements

DISBURSEMENTS—*continued.*	1885-86. Budget Estimate, March 1885.	1885-86. Account.	Increase.	Decrease.	
	£.	£.	£.	£.	
Brought forward - - -	14,354,600	14,014,733			
EXPENDITURE NOT CHARGED TO REVENUE:					
CAPITAL OUTLAY ON RAILWAYS AND IRRIGATION WORKS:					
STATE RAILWAYS: Stores for India, &c. - - - - - - - - -	1,010,000	1,787,175	777,175	- -	1
IRRIGATION WORKS: Stores for India - - - - - - - - - -	4,000	4,450	450	—	2
PURCHASE OF THE MADRAS IRRIGATION AND CANAL COMPANY'S UNDERTAKING - - - - - - - - - -	2,000	2,144	144	—	3
	1,016,000	1,793,769			
CAPITAL CHARGE INVOLVED IN REDEMPTION OF LIABILITIES, &c.:					
EAST INDIAN RAILWAY: Redemption of portion of the Annuity by the issue of India 3½ per Cent. Stock - - - - - - - - -	- -	544,991	544,991	- -	4
EASTERN BENGAL RAILWAY: Redemption of portion of the Annuity by the issue of India 3½ per Cent. Stock - - - - - - - - -	- -	541,054	541,054	- -	5
	- -	1,086,045			
DEBT:					
PERMANENT DEBT DISCHARGED:					
India 5 per Cent. Stock - - - - - - - - - -	- -	5,000	5,000	- -	6
India Debentures due 16th August 1884 - - - - - -	- -	1,000	1,000	- -	7
Eastern Bengal Railway Debentures due 1st November 1884 - -	- -	200	200	- -	8
TEMPORARY DEBT DISCHARGED:					
Temporary Loans on Security of East India Bonds - - - -	- -	1,000,000	1,000,000	- -	9
PAYMENTS OUT OF DEPOSITS OF SERVICE FUNDS BEARING INTEREST:					
India Office Provident Fund - - - - - - - - - -	1,000	30,712	29,712	- -	10
	1,000	1,036,912			
DEPOSITS AND ADVANCES:					
ADVANCES REPAYABLE:					
For purchase of Malt Liquor on behalf of the Imperial Government, &c.	2,000	4,382	2,382	—	11
Moiety of Expenditure in England on account of Defence Works at Aden, recoverable from the Imperial Government - - - -	- -	3,071	3,071	—	12
MISCELLANEOUS DEPOSITS:					
Sum re-issued to the Great Indian Peninsula Railway Company for discharge of certain Debentures, the amount of which, having been long unclaimed, was repaid to the Secretary of State in 1883–84 -	- -	3,100	3,100	- -	13
	2,000	10,553			
PAYMENTS TO RAILWAY COMPANIES ON CAPITAL ACCOUNT:					
FOR DISCHARGE OF DEBENTURES - - - - - - - -	1,355,500	285,500	- -	1,070,000	14
ON ACCOUNT OF STORES, ESTABLISHMENT CHARGES, &c. - - -	2,320,100	1,909,376	- -	410,724	15
	3,675,600	2,194,876			
REMITTANCE ACCOUNT BETWEEN ENGLAND AND INDIA:					
Payments to Her Majesty's Treasury and other Public Departments on account of Postage collected in India, sums received in India for Money Orders, &c - - - - - - - - - - - - -	180,000	235,150	55,150	- -	16
Advances on account of the Madras Civil Fund - - - - - -	48,000	131,500	83,500	- -	17
Family Remittances, Remittances by Administrators General, &c. - -	350,000	390,182	40,182	- -	18
East Indian Railway Company: Advances for purchase of Stores, &c. -	493,700	475,331	- -	18,369	19
Rajputana-Malwa Railway: Advances for purchase of Stores, &c. - -	100,000	136,386	36,386	- -	20
Stores chargeable to Provincial and Local Funds, and to Native States -	103,000	94,224	- -	8,776	21
Miscellaneous Payments to be brought to charge or recovered in India -	200,000	216,616	16,616	- -	22
	1,474,700	1,679,389			
TOTAL DISBURSEMENTS - - - £.	20,523,900	21,816,277			

India Office, 12 May 1887.

of the Home Treasury of the Government of *India*, for the Year 1885–86—*continued*.

	EXPLANATIONS OF INCREASE OR DECREASE.
1	The Account includes the sum of 1,135,999 *l.* on account of Frontier Railways, in respect of which 400,000 *l.* was charged in the Budget Estimate against Revenue. On the other hand, there is a decrease of 259,407 *l.* in the Stores for Railways other than Frontier, and in the Account all Stores for the Rajputana-Malwa Railway have been treated as a remittance transaction, whereas in the Estimate 100,000 *l* was included under this head on account of that Line.
4 5	*See* explanation against India 3½ per cent. Stock under "Permanent Debt" among Receipts (page 37).
6	The principal of this Stock became payable on the 5th July 1880, but there is still a portion remaining unclaimed.
7 8	When the Budget Estimate was framed, it was thought that these Debentures would be presented for payment in 1884–85.
9	*See* explanation against "Temporary Debt" among Receipts (page 37).
10	When the Budget Estimate was framed, the course to be adopted regarding this Fund had not been determined. The Fund was subsequently closed, and its liabilities assumed by the Secretary of State; consequently the Payments for Pensions (738 *l.*) are included as a charge under "Superannuation Allowances and Pensions." The sum of 30,712 *l.* shown here in the Account consists of 4,769 *l.* subscriptions refunded, and 25,943 *l.* the balance of the Fund transferred to Revenue. (*See* page 34.)
13	An exceptional payment.
14	The difference is the amount of the Debentures which were renewed.
15	The Estimates are framed in communication with the Railway Companies, and are liable to great fluctuations.
16	The increase occurs mainly in the payments on account of Indian Money Orders.
17	Owing to the payment of arrears of increased benefits from this Fund, with effect from the 1st of April 1882.
18	The increase occurs in Family Remittances.
19	The Estimate was furnished by the Railway Company.
20	In the Budget Estimate 100,000 *l.* was included on this account under "State Railways," in addition to the 100,000 *l.* shown here. Therefore the increase of 36,386 *l.* shown under this head represents a decrease on account of this Railway of 63,614 *l.*, which occurred mainly in the advances to the Bombay, Baroda, and Central India Railway Company, by whom the Line is worked.
21	The difference is more than accounted for by the decrease in the Stores supplied for Native States.
22	The increase occurs in Bills drawn by the British Envoy at the Court of Persia, on account of supplies to the Afghan Boundary Commission.

Henry Waterfield, Financial Secretary.

No. 8.

* ESTIMATED ACCOUNT of the RECEIPTS and DISBURSEMENTS of the HOME

RECEIPTS.

	£.	£.	£.
Balance, 1st April 1886			4,726,585
REVENUE:			
INTEREST:			
Interest realised from investment of Cash Balance, &c.		41,352	
TELEGRAPH:			
Indo-European Telegraph		9,558	
MINT:			
Proceeds of Sales of Indian Coins sent to this Country for Assay		60	
MEDICAL:			
Pensions, &c., of Inmates of the Royal India Lunatic Asylum, appropriated to their maintenance, &c.		2,488	
SCIENTIFIC AND OTHER MINOR DEPARTMENTS:			
Sale proceeds of Books, Maps, &c.		600	
RECEIPTS IN AID OF SUPERANNUATION ALLOWANCES AND PENSIONS:	£.		
Subscriptions, &c., to the Widows' Funds of the Home Establishment of the East India Company, and in respect of the India Office Provident Fund	11,299		
Subscriptions in respect of the Indian Civil, Military, and Medical Funds, and the Indian Navy Fund	91,394		
Subscriptions towards Indian Civil Service Family Pensions	76		
		102,769	
MISCELLANEOUS:			
Miscellaneous receipts connected with the supply of Stores to India, and sundry items		6,873	
RAILWAYS:			
STATE RAILWAYS:			
East Indian Railway: Rent of Premises occupied by the Company		230	
BUILDINGS AND ROADS:			
CIVIL WORKS AND MISCELLANEOUS SERVICES:			
Royal Indian Engineering College—Fees from Students, &c.		22,281	
ARMY:			
Effective.	£.		
Value of Clothing, Accoutrements, &c., in possession of Regiments on their transfer from the Indian to the British Establishment; proceeds of Sales of unserviceable Stores; receipts on account of the Indian Troop Service; recoveries on account of Messing, &c.	47,162		
Non-effective.			
Subscriptions towards Indian Military Service Family Pensions	4,278		
		51,440	
Carried forward £.		237,651	4,726,585

* This is an Account subject to audit and to the final adjustment of the accounts of Sub-Accountants.

No. 8.

TREASURY of the GOVERNMENT of *India*, from 1st April 1886 to 31st March 1887.

DISBURSEMENTS.

EXPENDITURE:

	£.	£.
LAND REVENUE:		
Stores for India		1,094
OPIUM:		
Stores for India		1,854
SALT:		
Stores for India		7
STAMPS:		
Stores for India		44,470
EXCISE:		
Stores for India		161
FOREST:		
Expenses attending the instruction of successful Candidates for the Indian Forest Department, &c.		2,436
INTEREST ON DEBT (EXCLUDING THAT CHARGED ON PAGE 47, TO RAILWAYS):		
Interest on Loans contracted in England*	2,567,377	
Interest on the Indian Transfer Loan of 22nd April 1854	22,406	
Discount Sinking Fund, in redemption of debt incurred in excess of money raised	7,192	
		2,596,975
INTEREST ON OTHER OBLIGATIONS:		
Interest on Deposits in Regimental Savings Banks of men returned from India		218
POST OFFICE:	£.	
Payments under the Postal arrangement with the Lords of Her Majesty's Treasury	68,000	
Stores for India	49,125	
		117,125
TELEGRAPH:		
Indo-European Telegraph	17,313	
Red Sea and India Telegraph	18,027	
Indian Telegraph Department:—Absentee Allowances and Contingent Expenses	6,208	
	41,548	
Telegraph Lines in India—Stores for India	70,223	
		111,771
MINT:		
Stores for India	6,598	
Other Payments	88	
		6,686
GENERAL ADMINISTRATION:		
Home Establishments, &c.	228,198	
Payments on account of Administration in India	4,421	
	232,619	
Stores for India	15,656	
		248,275
LAW AND JUSTICE:		
Stores for India	154	
Other Payments	913	
		1,067
Carried forward	£.	3,132,139

* Total Interest on Loans contracted in England is charged as follows:—

Under Interest on Ordinary Debt (as above)	£. 2,567,377
Under Railway Revenue Account (page 47)	566,049
	£. 3,133,426

No. 8.—ESTIMATED ACCOUNT of the Receipts and Disbursements of the Home Treasury

	£.	£.
Brought forward - - - -	237,651	4,726,585
RECEIPTS—*continued.*		
Carried forward - - - £.	237,651	4,726,585

of the Government of *India*, from 1st April 1886 to 31st March 1887—*continued.*

		£.
	Brought forward	3,132,139
DISBURSEMENTS—*continued.*		
EXPENDITURE—*continued.*		
MARINE:	£.	
Contribution towards the Expenses of Her Majesty's Ships employed in the Indian Seas	70,000	
Sundry items	4,543	
	74,543	
Stores for India	155,954	
		230,497
EDUCATION:		
Passage to India of Educational Officers on appointment, &c.		440
ECCLESIASTICAL:		
Passage to India of Chaplains on appointment		300
MEDICAL:		
Expenses of the Royal India Lunatic Asylum, Maintenance of Lunatics elsewhere, &c.		7,169
POLITICAL:	£.	
Mission to the Court of Persia	10,000	
Her Majesty's Establishments in China	15,000	
Sundry items	1,593	
	26,593	
Stores for India	3,232	
		29,825
SCIENTIFIC AND OTHER MINOR DEPARTMENTS:		
Stores for India	9,217	
Other Payments	11,849	
		21,066
TERRITORIAL AND POLITICAL PENSIONS:		
His Highness Maharajah Duleep Singh	17,387	
Members of the Bengal Nizamut Family	900	
		18,287
CIVIL FURLOUGH AND ABSENTEE ALLOWANCES		187,273
SUPERANNUATION ALLOWANCES AND PENSIONS:		
Including 1,343,184 *l.* on account of Annuities, Pensions, and Allowances payable in respect of the Indian Civil, Military, and Medical Funds, and the Indian Navy Fund		1,575,929
STATIONERY AND PRINTING:	£.	
Stationery, Printing, and Bookbinding, for the India Office, &c.	10,005	
Stores for India	81,634	
		91,639
MISCELLANEOUS:		
Examination Expenses and Allowances of Candidates for the Civil Service of India, &c.	19,826	
Miscellaneous Charges connected with the supply of Stores to India	10,568	
		30,394
RAILWAY REVENUE ACCOUNT:		
STATE RAILWAYS—INTEREST ON DEBT:	£.	
East Indian Railway	348,420	
Eastern Bengal Railway	43,367	
Scinde, Punjab, and Delhi Railway	174,262	
		566,049
STATE RAILWAYS—ANNUITIES IN PURCHASE OF RAILWAYS (INCLUDING SINKING FUNDS):		
East Indian Railway	1,159,626	
Eastern Bengal Railway	120,519	
Scinde, Punjab, and Delhi Railway	397,555	
		1,677,700
STATE RAILWAYS—INTEREST ON CAPITAL DEPOSITED BY COMPANIES:		
Bengal Central Railway	31,448	
Indian Midland Railway	110,323	
Southern Mahratta Railway	201,860	
		343,631
GUARANTEED COMPANIES—INTEREST		2,696,976
		5,284,356
	Carried forward £.	10,609,314

No. 8.—ESTIMATED ACCOUNT of the Receipts and Disbursements of the Home Treasury

	£.	£.
Brought forward - - - -	237,651	4,726,585
RECEIPTS—*continued.*		
TOTAL RECEIPTS ON ACCOUNT OF REVENUE - - - £.		237,651
Carried forward - - - £.		4,964,236

of the Government of *India*, from 1st April 1886 to 31st March 1887—*continued*.

			£.
		Brought forward	10,609,314
DISBURSEMENTS—*continued*.			
EXPENDITURE—*continued*.			
IRRIGATION:			
MINOR WORKS AND NAVIGATION:			
Stores for India			1,396
BUILDINGS AND ROADS;		£.	
MILITARY WORKS:			
Stores for India		1,909	
CIVIL WORKS AND MISCELLANEOUS SERVICES:	£.		
Furlough Pay and Allowances of Officers in the Public Works Department	54,309		
Royal Indian Engineering College	23,029		
Sundry items	8,049		
	85,387		
Stores for India	1,009		
		86,396	
			88,305
ARMY:			
Effective.			
Home Charges of British Forces serving in India	785,752		
Furlough Allowances of Officers of the Indian Service	174,066		
Indian Troop Service	295,243		
Passage of Officers and Troops, otherwise than in Troop Ships	6,423		
Miscellaneous	39,080		
	1,300,564		
Stores for India	511,020		
		1,811,584	
Non-Effective.			
Retired Pay, &c., of British Forces, on account of service in India	186,227		
Pay and Pensions of Non-effective and Retired Officers of the Indian Service	1,533,553		
Gratuity, equal to the Value of his Commission, granted to an Officer of a British (formerly Indian) Regiment on his retirement from the Service	1,362		
Miscellaneous Pensions, &c. (formerly described as Lord Clive's Fund)	98,141		
Indian Military Service Family Pensions	8,282		
		1,777,565	
			3,589,149
TOTAL EXPENDITURE CHARGEABLE AGAINST REVENUE		£.	14,288,164

EXPENDITURE NOT CHARGED TO REVENUE:

		£.
CAPITAL OUTLAY ON RAILWAYS AND IRRIGATION WORKS:		
STATE RAILWAYS:		
Stores for India, 1,309,013 *l.* Other Payments, 12,061 *l.*		1,321,074
IRRIGATION WORKS:		
Stores for India		2,008
		1,323,082
SPECIAL DEFENCE WORKS:		
INDIA:		
Stores		119,816
ADEN:		
Stores, 3,227 *l.* Other Payments, 402 *l.*		3,629
		123,445
CAPITAL CHARGE INVOLVED IN REDEMPTION OF LIABILITIES:		
EAST INDIAN RAILWAY:		
Redemption of 120 *l.* 12 *s.* 6 *d.* of the Annuity by the issue of India 3½ per Cent. Stock (*see* Receipt under Debt, page 50)		2,925
SCINDE, PUNJAB, AND DELHI RAILWAY:		
Redemption of 200,467 *l.* 10 *s.* 5 *d.* of the Annuity by the issue of India 3½ per Cent. Stock (*see* Receipt under Debt, page 50)		4,911,621
		4,914,546
Carried forward	£.	20,649,237

No. 8.—ESTIMATED ACCOUNT of the Receipts and Disbursements of the Home Treasury

			£.
		Brought forward - - -	4,964,236
RECEIPTS—*continued.*			
DEBT:			
PERMANENT DEBT:		£.	
India 3 per Cent. Stock—Money raised by the issue of 6,000,000 *l.* Stock - - - -		5,207,446	
India 3½ per Cent. Stock, created under Acts 44 & 45 Vict. c. 53, and 48 & 49 Vict. c. 25, s. 25:	£.		
In redemption of 120 *l.* 12 *s.* 6 *d.* of the East Indian Railway Annuity -	2,925		
In redemption of 200,467 *l.* 10 *s.* 5 *d.* of the Scinde, Punjab, and Delhi Railway Annuity - - - - - - - - - -	4,911,621		
		4,914,546	
			10,121,992
DEPOSITS AND ADVANCES:			
REPAYMENT OF ADVANCES:	£.		
Repayment of Disbursements in England for purchase of Malt Liquor on behalf of the Imperial Government - - - - - - - -	2,553		
Repayment of Expenses in England in connection with the Employment of Indian Native Troops in the Soudan and Nubia, recoverable from the Imperial Government - - - - - - - - - -	1,220		
		3,773	
MISCELLANEOUS DEPOSITS:			
Unclaimed Interest repaid by the Eastern Bengal, and Scinde, Punjab, and Delhi Railway Companies, and by the Madras Irrigation and Canal Company, in consequence of the purchase of the several Undertakings by the State - - - - - - - -		9,812	
			13,585
CAPITAL RECEIPTS FROM RAILWAY COMPANIES:			
ON ACCOUNT OF SUBSCRIBED CAPITAL - - - - - - - - - - -		4,135,372	
ON ACCOUNT OF TRANSFER FEES AND MISCELLANEOUS REFUNDS - - - - -		4,439	
			4,139,811
REMITTANCE ACCOUNT BETWEEN ENGLAND AND INDIA:			
Repayments by Her Majesty's Treasury and other Public Departments, in respect of—	£.	£.	
Expenses attending the employment of Indian Native Troops in the Soudan and Nubia - - - - - - - - - - - - - - -	75,856		
Advances in India on account of Emigration of Coolies, Chelsea Out-Pensioners paid in India, supplies to Her Majesty's Ships on the East India Station, &c.	113,445		
		189,301	
Estates remitted from India by Administrators General by means of Bills on London - - -		23,035	
East Indian Railway Company: Transfer Fees and Miscellaneous Refunds - - - - -		973	
Miscellaneous Receipts (including 18,439 *l.* on account of Sales, &c. at the Colonial and Indian Exhibition) - - - - - - - - - - - - - - - -		21,554	
Bills of Exchange and Telegraphic Transfers on India - - - - - - - - -		12,136,279	
			12,371,142
		£.	31,610,766

India Office, 12 May 1887.

For Statement showing New or Increased Salaries or Pensions

of the Government of *India*, from 1st April 1886 to 31st March 1887—*continued.*

		£.
	Brought forward	20,649,237
DISBURSEMENTS—*continued.*		
DEBT:		
PERMANENT DEBT DISCHARGED:	£.	
India 5 per Cent. Stock	320	
Eastern Bengal Railway Debentures due 12th July 1886	409,700	
East Indian Railway Debentures	1,000	
		411,020
DEPOSITS AND ADVANCES:		
ADVANCES REPAYABLE:		
For purchase of Malt Liquor, on behalf of the Imperial Government	2,553	
Expenses in England recoverable from the Imperial Government in connection with the employment of Indian Native Troops in the Soudan and Nubia	103	
Moiety of Expenditure in England on account of Defence Works at Aden, recoverable from the Imperial Government	3,629	
		6,285
PAYMENTS TO RAILWAY COMPANIES ON CAPITAL ACCOUNT*:		
	£.	
FOR DISCHARGE OF DEBENTURES	1,417,800	
ON ACCOUNT OF STORES, ESTABLISHMENT CHARGES, &c.	1,594,076	
		3,011,876
REMITTANCE ACCOUNT BETWEEN ENGLAND AND INDIA:		
	£.	
Payments to Her Majesty's Treasury and other Public Departments on account of Postal and Money Order Transactions, &c.	173,809	
Discharge of the Principal of the Indian Transfer Loan of 22nd April 1854	1,125,972	
Balance due to the Agents of the Madras Civil Fund, on its being closed	2,441	
Family Remittances, Remittances by Administrators General, &c.	417,989	
East Indian Railway Company: Advances for purchase of Stores, &c.	339,947	
Rajputana-Malwa Railway: Advances for purchase of Stores, &c.	56,598	
Stores chargeable to Provincial and Local Funds, and to Native States	64,458	
Miscellaneous Payments to be brought to charge or recovered in India	80,400	
		2,252,614
TOTAL DISBURSEMENTS	£.	26,331,032
BALANCE, 31st March 1887		5,279,734
	£.	31,610,766

* Advances to the East Indian Railway Company, and advances to the Bombay, Baroda, and Central India Railway Company on account of the Rajputana-Malwa Railway, are treated as Remittances.

Thos. W. Keith, Accountant General.

granted or created within the year 1886–87, *see* page 52.

No. 9.

STATEMENT showing New or Increased SALARIES, ESTABLISHMENTS, or PENSIONS, granted or created in *England*, between 1st April 1886 and 31st March 1887.

SALARIES AND ESTABLISHMENTS.

	Increase or Decrease in 1887–88.	
	Increase.	Decrease.
Store Department—Branch at the India Store Depôt:	£.	£.
One Examiner of Stores—Salary 180 *l.* rising, on report of Director General, to 300 *l.* per annum	180	—
One Assistant Examiner of Stores—Salary 120 *l.* rising, on report of Director General, to 180 *l.* per annum	120	—
(These two appointments are in lieu of the employment of a professional Inspector of Telegraph Wire, who was paid by a per-centage on the amount of wire examined.)		
India Office—Office Keepers and Messengers:		
Each of the two Messengers who may be employed as Hall Porters to receive an annual allowance of 10 *l.*	20	—
Increase arising from Periodical Increments	1,968	—
Net Decrease consequent on Vacancies, &c.	—	1,404
Decrease consequent on transfer to the Inland Revenue Department of the Control and Superintendence of the supply of Stamps for India, as explained in foot-note on page 65.	—	2,930
£.	2,288	4,334

NET DECREASE, as shown on page 61 - - - £. 2,046.

SUPERANNUATION AND RETIRED ALLOWANCES.

DETAILS of INCREASE and DIMINUTION in 1887–88.

Name.	Rank.	Age.	Service.	Salary.	Cause.	Amount. Commenced.	Amount. Ceased.
SUPERANNUATION ALLOWANCES:		*Years.*	*Years.*	£. s. d.		£. s. d.	£. s. d.
Beard, C.	Examiner of Cloth, India Store Depôt.	–	–	– –	Dead	– –	200 – –
Lawford, H. S.	Solicitor	–	–	– –	ditto	– –	1,000 – –
Plowden, R. C.	Senior Clerk, Correspondence Department.	–	–	– –	ditto	– –	260 – –
Steer, G.	Second Class Messenger	–	–	– –	ditto	– –	30 – –
Wilson, E.	Messenger	–	–	– –	ditto	– –	80 – –
Allen, J. J.	First Class Messenger	60	38	129 9 –	Age	86 6 –	—
Halliday, Sir F. J., K.C.B.	Member of the Council of India.	80	18	1,200 – –	Resigned his appointment.	500 – – (*a*)	—
Smith, John	Second Class Clerk, Store Department, India Office Branch.	30	11	175 – –	Ill health	32 1 8	—
					TOTAL £.	618 7 8	1,570 – –

DECREASE £. 951. 12. 4.

(*a*) Is also in receipt of an Indian Civil Service Annuity of 1,000 *l.*

No. 9.—STATEMENT showing New or Increased Salaries, &c.—Superannuation and Retired Allowances—*cont^d.*

Name.	Rank.	Age.	Service.	Salary.	Cause.	Amount. Commenced.	Amount. Ceased.
COMPENSATION ALLOWANCES:		*Years.*	*Years.*	£. s. d.		£. s. d.	£. s. d.
Freeth, Lieut. Col. W.	Member of Military Funds Consulting Committee.	–	–	– –	Dead	– –	125 – –
Moore, A. W., C.B.	Assistant, Correspondence Department.	–	–	– –	ditto	– –	(a) 733 6 8
Barnett, E. M.	Senior Clerk, Store Department, India Office Branch.	51	34	800 – –	Re-organisation	533 6 8	—
Hosking, W. H.	Superintendent of Stamps, Stamp Branch, Store Department.	57	25	500 – –	Abolition of appointment.	333 6 8 of which the sum of 13 *l.* 6 *s.* 8 *d.* has been commuted.	—
					TOTAL £.	866 13 4	858 6 8
					INCREASE £.		8. 6. 8.

(*a*) In abeyance from 1st January 1887 to his death, during which time Mr. Moore was Secretary in the Political and Secret Department. *See* also page 56.

COMPASSIONATE ALLOWANCES:							
Bell, Peter	Labourer, India Store Depôt	–	–	– –	Dead	– –	26 – –
Harrison, W.	– – – ditto	42	20	65 – –	Ill health, since dead.	21 13 4	21 13 4
King, G.	– – – ditto	38	12	57 4 –	ditto	11 9 8	11 9 8
Arnold, G.	Supervisor, 1st Grade, India Store Depôt.	62	27	500 – –	Age	250 – –	—
Hill, Eliza	Housemaid	63	16	40 – –	Ill health	13 – –	—
Hould, W.	Third Class Foreman, India Store Depôt.	66	28	78 – –	ditto	36 8 –	—
Laurie, Colonel W. F. B.	Hired Writer, Registry and Record Department.	62	14	218 8 –	Age	(b) 120 – –	—
Raven, W. J., sen.	Assistant Superintendent, Stamp Branch, Store Department.	60	20	250 – –	ditto	83 6 8 of which the sum of 34 *l.* 6 *s.* 8 *d.* has been commuted.	—
					TOTAL £.	535 17 8	59 3 –
					INCREASE £.		476. 14. 8.
					NET DECREASE £.		466. 11. 0.

(*b*) Had been previously granted an Indian Military Pension of 365 *l.*, of which 135 *l.* has been commuted.

SUPERANNUATION AND RETIRED ALLOWANCES.

ESTIMATED CHARGE for the Year 1887–88, including the annual amount of PENSIONS which have been Commuted.

	1887-88.	1886-87.	Increase.	Decrease.
	£.	£.	£.	£.
Superannuation Allowances	11,677	12,629	–	952
Compensation Allowances	26,592	26,584	8	—
Compassionate Allowances	1,754	1,277	477	—
£.	40,023	40,490	485	952
NET DECREASE £.				467.

Thos. W. Keith, Accountant General.

No. 10.

STATEMENT of SUPERANNUATION and RETIRED ALLOWANCES at the commencement of the Year 1886-87, including the annual amount of Pensions which had been Commuted.

Name.	Rank.	Age at the Time of Retirement.	Period of Service.	Yearly Salary at the Time of Retirement.	Yearly Allowance Granted.	Cause of Retirement.	Authorised by the Secretary of State for India in Council; Allowances commenced on
SUPERANNUATION ALLOWANCES:		*Years.*	*Years.*	£. *s.* *d.*	£. *s.* *d.*		
Bailey, J. S.	Keeper of Records, Military Department, Correspondence Department.	56	28	200 – –	133 6 8	Ill health	30 Sept. 1880
Banton, John	Keeper of Records, Accountant-General's Department.	57	26	150 – –	100 – –	ditto	1 May 1884
Beard, C.	Examiner of Cloth, India Store Depôt.	65	26	300 – –	200 – –	ditto	8 Aug. 1883
Benthall, W. H.	Assistant, Correspondence Department.	37	18	775 – –	452 – –	ditto	30 Jan. 1875
Brown, R.	Second Class Messenger	48	25	104 5 –	69 10 –	ditto	13 Feb. 1868
Came, R.	Second Office Keeper	49	27	265 – –	176 13 4	ditto	17 Feb. 1870
Clerk, Sir G. R., G.C.S.I., K.C.B.	Member of the Council of India.	75	12	1,200 – –	(*a*) 500 – –	Resigned his appointment.	28 Nov. 1876
Deedes, J. G.	Senior Clerk, Accountant-General's Department.	40	22	560 – –	(*b*) 199 16 8	Ill health	2 Aug. 1882
Eastwick, Captain W. J.	Member of the Council of India.	–	10	1,200 – –	(*c*) 500 – –	Resigned his appointment.	3 Sept. 1868
Farrow, E. C.	First Class Messenger	52	32	124 10 –	83 – –	Ill health	4 Oct. 1881
Franks, W. A.	Registrar	69	50	1,100 – –	1,100 – – of which the sum of 350 *l.* had been commuted prior to 1886-87.	Age	16 Oct. 1874
Girard, S.	Second Class Messenger	63	12	100 – –	20 – –	Ill health	9 Mar. 1880
Hope, J. J.	Second Office Keeper	62	49	165 – – (*d*) 30 – –	195 – – of which the sum of 65 *l.* had been commuted prior to 1886-87.	Age	20 April 1880
Ireland, Thomas	First Class Messenger	65	34	150 – –	100 – – of which the sum of 10 *l.* had been commuted prior to 1886-87.	Ill health	1 April 1880
Lawford, H. S.	Solicitor	61	23	2,000 – –	1,000 – –	ditto	15 May 1877
Macnaghten, E.	Member of the Council of India.	63	13	1,200 – –	500 – –	Resigned his appointment.	2 Nov. 1871
Mallet, Right Hon. Sir Louis, C.B.	Permanent Under Secretary of State.	60	(*e*) 19	2,000 – –	600 – –	Age	30 Sept. 1883
Mason, C. A. J.	Assistant, Correspondence Department.	50	34	1,000 – –	666 13 4	Ill health	26 Dec. 1882
Melville, J. R.	ditto ditto	44	26	1,000 – –	666 13 4 of which the sum of 172 *l.* 10 *s.* had been commuted prior to 1886-87.	ditto	25 June 1875
Norris, E.	First Class Messenger and Keeper of Records, Financial Department.	54	24	150 – –	100 – –	ditto	1 June 1880
Pears, Major General Sir T. T., K.C.B.	Military Secretary	68	(*f*) 35	1,400 – –	(*g*) 816 13 4	Age	18 Jan. 1877
Pike, S. W.	Senior Clerk, Correspondence Department.	41	25	600 – –	400 – – of which the sum of 140 *l.* had been commuted prior to 1886-87.	Ill health	23 Jan. 1873
Plowden, R. C.	ditto ditto	29	11	520 – –	260 – –	ditto	6 May 1869
Rhind, James	Senior Clerk, Store Department, India Office Branch.	66	19	680 – –	453 6 8	Age	26 Dec. 1877
Rose, B.	First Class Messenger	54	36	149 6 –	99 10 8 of which the sum of 9 *l.* 10 *s.* 8 *d.* had been commuted prior to 1886-87.	Ill health	2 July 1880
Rose, C.	Second Class Messenger	54	27	108 18 9	72 12 6	ditto	26 April 1884
Seccombe, Sir T. L., K.C.S.I., C.B.	Financial Secretary	66	50	1,700 – –	1,700 – – of which the sum of 300 *l.* had been commuted prior to 1886-87.	Age	11 Feb. 1879
Simmonds, W. H.	Second Class Messenger	56	22	124 6 –	82 17 4	Ill health	23 April 1874
Smith, Joseph	ditto ditto	40	15	100 – –	25 – –	ditto	30 April 1883
Soare, H.	Junior Clerk, Correspondence Department.	32	15	276 – –	138 – – of which the sum of 118 *l.* had been commuted prior to 1886-87.	ditto	24 Feb. 1870
Staples, F. A.	Second Class Clerk, India Store Depôt.	49	19	225 – –	71 5 –	ditto	4 Dec. 1885
Steer, G.	Second Class Messenger	48	18	100 – –	30 – –	ditto	13 Jan. 1886
Sugden, J.	Examiner of Stores, India Store Depôt.	57	22	300 – –	200 – –	ditto	25 June 1877
Vivian, General Sir R. J. H., G.C.B.	Member of the Council of India	72	16	1,200 – –	(*h*) 500 – –	Resigned his appointment.	31 Dec. 1874
Voysey, Isaac	Third Class Messenger	58	22	100 – –	66 13 4	Ill health	8 Aug. 1867
Willock, J. H.	Senior Clerk, Correspondence Department.	33	11	540 – –	270 – –	ditto	20 April 1866
Wilson, E.	Messenger	59	30	120 – –	80 – –	ditto	1 July 1862
				£.	12,628 12 2		

(*a*) Is also in receipt of an Indian distinguished service pension of 1,000 *l.* and an Indian Civil Service annuity of 1,000 *l.*
(*b*) £. 5. 10 *s.* per annum is also payable from Imperial Revenues in respect of three years' service in the Department of the Accountant General of the Navy.
(*c*) Is also in receipt of an Indian military pension of 73 *l.*
(*d*) Value of apartments.
(*e*) Including 10 years added for special qualifications.
(*f*) Including 20 years added for special qualifications.
(*g*) Is also in receipt of an Indian military pension of 515 *l.*
(*h*) Is also in receipt of Indian military allowances of 1,124 *l.* 17 *s.* 5 *d.*

No. 10.—Statement of Superannuation and Retired Allowances, &c.—*continued.*

Name.	Rank.	Age at the Time of Retirement.	Period of Service.	Yearly Salary at the Time of Retirement.	Yearly Allowance Granted.	Cause of Retirement.	Authorised by the Secretary of State for India in Council; Allowances commenced on
COMPENSATION ALLOWANCES:		*Years.*	*Years.*	£. s. d.	£. s. d.		
Andrews, W. V.	Junior Clerk, Correspondence Department.	31	11	303 – –	202 – – of which the sum of 72 *l.* had been commuted prior to 1886–87.	Re-organisation	25 June 1867
Aston, G.	Assistant to Director of India Museum.	–	20	300 – –	220 – –	ditto	1 Jan. 1880
Barnes, R. K.	Senior Book-keeper, Funds Department.	66	15	345 – –	150 – –	ditto	26 Dec. 1881
Boucher, J. E.	Chief Clerk, Pay Branch, Accountant General's Department.	56	40	1,000 – –	900 – – of which the sum of 450 *l.* had been commuted prior to 1886–87.	ditto	25 June 1867
Bourdillon, E. D.	Secretary, Public and Ecclesiastical Department.	55	39	1,200 – –	1,000 – –	ditto	25 June 1867
Browne, G.	Assistant to Accountant General	50	32	825 – –	668 15 –	ditto	1 Jan. 1872
Bryant, G.	Senior Clerk, Correspondence Department.	39	20	520 – –	331 6 8	ditto	1 April 1877
Close, L. R.	ditto ditto	38	20	680 – –	498 13 4 of which the sum of 10 *l.* had been commuted prior to 1886–87.	ditto	1 April 1877
Courtenay, J.	Assistant, Correspondence Department.	42	25	875 – –	700 – –	ditto	25 June 1867
Daniel, P. A.	Clerk, Correspondence Department.	–	13	550 – –	367 – –	ditto	30 Sept. 1860
Danvers, J. F.	Senior Clerk, Accountant General's Department.	41	24	715 – –	524 6 8	ditto	1 Aug. 1879
Davies, Charles	Assistant to Accountant General.	44	23	825 – –	575 – – of which the sum of 30 *l.* had been commuted prior to 1886–87.	ditto	1 Jan. 1872
Davies, R. F.	Senior Clerk, Store Department, India Office Branch.	41	23	600 – –	454 13 4 of which the sum of 12 *l.* had been commuted prior to 1886–87.	ditto	1 Jan. 1882
Dean, J. T.	Senior Clerk, Correspondence Department.	39	22	680 – –	498 13 4	ditto	1 April 1877
Deedes, H. C.	Assistant, Correspondence Department.	45	25	900 – –	700 – –	ditto	25 June 1867
Deffell, F.	Junior Clerk, Accountant General's Department.	–	11	306 – –	204 – –	ditto	30 Sept. 1860
Downing, W.	Keeper of the Museum	54	32	500 – –	375 – –	ditto	30 Sept. 1867
Downton, J.	Senior Clerk, Correspondence Department.	53	26	700 – –	513 6 8 of which the sum of 163 *l.* 6 *s.* 8 *d.* had been commuted prior to 1886–87.	ditto	1 Jan. 1880
Fairbrother, E. J.	Clerk to Official Agent to the Administrators General of India.	–	13	600 – –	400 – –	ditto	30 Sept. 1860
Forsyth, W., Q.C.	Standing Counsel	59	13	500 – –	500 – –	Abolition of office.	1 Jan. 1872
Freeth, Lieut. Col. W.	Member of Military Funds Consulting Committee.	74	13	250 – –	(*a*) 125 – –	ditto	1 April 1880
Friend, Charles T.	Senior Clerk, Accountant General's Department.	42	25	655 – –	480 6 8 of which the sum of 301 *l.* 6 *s.* 8 *d.* had been commuted prior to 1886–87.	Re-organisation	1 Aug. 1879
Goodliffe, W. G.	Accountant General	48	11 (*b*)	1,200 – –	900 – – of which the sum of 400 *l.* had been commuted prior to 1886–87.	ditto	1 Jan. 1872
Gordon, R.	Writer	–	38	459 16 –	345 – –	ditto	30 Sept. 1860
Griggs, W.	Superintendent of the Photographic Establishment at Peckham.	46	30	200 – –	150 – – of which the sum of 50 *l.* had been commuted prior to 1886–87.	ditto	30 Sept. 1878
Hornidge, M.	Statistical Reporter and Agent to the Administrators General of India.	62	47	1,300 – –	1,300 – – of which the sum of 300 *l.* had been commuted prior to 1886–87.	ditto	7 Aug. 1874
Keith, A. J.	Senior Book-keeper, Funds Department.	59	15	320 – –	180 – –	ditto	26 Dec. 1881
Lamb, Lieut. H.	Superintendent of General Supplies and Shipments, India Store Depôt.	53	21	900 – –	(*c*) 450 – –	ditto	19 June 1880
Lovett, A. J.	Junior Clerk, Store Department, India Office Branch.	–	24	480 – –	360 – – of which the sum of 180 *l.* had been commuted prior to 1886–87.	ditto	1 June 1875
Lunt, W.	Assistant Examiner of Stores, India Store Depôt.	56	20	150 – –	55 – –	ditto	1 May 1881
Mackeson, H.	Copying Clerk, Registry Department.	41	23	350 – –	256 13 4 of which the sum of 36 *l.* had been commuted prior to 1886–87.	ditto	1 Aug. 1879
Mangles, F. S.	Senior Clerk, Accountant General's Department.	45	27	720 – –	528 – –	ditto	1 Aug. 1879
Markham, C. R., C.B.	Assistant, Correspondence Department.	46	22	1,000 – –	733 6 8	ditto	30 Sept. 1877
			Carried forward - - - £.		15,096 1 8		

(*a*) Is also in receipt of an Indian Military Pension of 191 *l.* 12 *s.* 6 *d.* (*b*) In addition to nearly 14 years in the Civil Service of the Crown.
(*c*) Is also in receipt of Indian Navy Pension of 125 *l.*

No. 10.—Statement of Superannuation and Retired Allowances, &c.—*continued.*

Name.	Rank.	Age at the Time of Retirement.	Period of Service.	Yearly Salary at the Time of Retirement.	Yearly Allowance Granted.	Cause of Retirement.	Authorised by the Secretary of State for India in Council; Allowances commenced on
		Years.	*Years.*	£. *s.* *d.*	£. *s.* *d.*		
COMPENSATION ALLOWANCES—*continued.*			Brought forward		15,696 1 8		
Michell, R.	Russian Interpreter	47	16	500 – –	258 6 8 of which the sum of 172 *l.* 4 *s.* 5 *d.* has been commuted.	Abolition of office.	30 Sept. 1885
Minifie, W.	Assistant, Correspondence Department.	53	32	1,000 – –	666 13 4 of which the sum of 166 *l.* 13 *s.* 4 *d.* had been commuted prior to 1886–87.	Re-organisation	26 Mar. 1885
Moore, A. W., C.B.	ditto	44	26	1,100 – –	733 6 8 of which the sum of 203 *l.* 6 *s.* 8 *d.* has been commuted.	ditto	25 June 1885
Moore, F.	Assistant Director of India Museum.	–	21	450 – –	330 – –	ditto	1 Jan. 1880
Morgan, F.	Senior Clerk, Accountant General's Department.	45	26	720 – –	528 – –	ditto	1 Aug. 1879
Napier, M.	Chief Clerk, Correspondence Department.	64	42	800 – –	700 – –	ditto	1 Jan. 1872
Pakeman, F.	Junior Clerk, Correspondence Department.	43	20	403 – –	295 10 8 –	ditto	1 Aug. 1879
Percival, T. H.	Senior Clerk, Accountant General's Department.	39	21	715 – –	524 6 8 of which the sum of 262 *l.* 3 *s.* 4 *d.* had been commuted prior to 1886–87.	ditto	1 Aug. 1879
Peters, H. A.	Copying Clerk, Registry Department.	38	20	350 – –	256 13 4 of which the sum of 115 *l.* has been commuted.	ditto	30 Sept. 1879
Phillimore, C. B.	Assistant, Correspondence Department.	54	35	1,000 – –	850 – – of which the sum of 200 *l.* had been commuted prior to 1886–87.	ditto	1 Jan. 1872
Pryce, F. H.	Senior Clerk, Correspondence Department.	54	17	660 – –	340 – – of which the sum of 170 *l.* had been commuted prior to 1886–87.	ditto	1 April 1877
Read, John	Junior Clerk, Accountant General's Department.	43	20	444 – –	325 12 – of which the sum of 52 *l.* had been commuted prior to 1886–87.	ditto	1 Aug. 1879
Riviere, A.	Examiner of Stores, India Store Depôt.	64	32	300 – –	220 – –	ditto	1 May 1881
Saunders, T. W.	Geographical Assistant	64	16	500 – –	275 – –	Abolition of office.	30 Sept. 1885
Scott, A.	Senior Clerk, Correspondence Department.	56	39	750 – –	650 – –	Re-organisation	1 Jan. 1872
Shadwell, G. A. F.	Assistant, Correspondence Department.	50	24	875 – –	700 – –	ditto	26 Dec. 1874
Sperryn, J.	Senior Book-keeper, Funds Department.	65	15	320 – –	(*a*) 150 – –	ditto	26 Dec. 1881
Stapleton, G. A. T.	Senior Clerk, Accountant General's Department.	34	14	580 – –	375 – –	ditto	1 Jan. 1872
Thompson, F.	Registrar	62	46	900 – –	900 – –	ditto	1 Jan. 1884
Upton, R.	Senior Clerk, Correspondence Department.	38	21	600 – –	440 – – of which the sum of 360 *l.* had been commuted prior to 1886–87.	ditto	1 April 1877
Waller, A.	Coal Porter, Cannon-row	–	15	43 – –	13 – –	ditto	24 Aug. 1868
Watson, Dr. J. Forbes	Director of the India Museum	–	21	800 – –	660 – – of which the sum of 200 *l.* had been commuted prior to 1886–87.	ditto	1 Jan. 1880
Wilks, W.	Assistant, Accountant General's Department.	50	32	950 – –	696 13 4	ditto	1 Aug. 1879
				£.	26,584 4 4		
COMPASSIONATE ALLOWANCES:							
Bailey, T.	Labourer, India Store Depôt	–	14	52 – –	13 4 4	Permitted to retire, being unfit for duty.	6 June 1881
Beavers, Mrs. M. Y.	Housemaid	61	30	40 – –	27 6 –	Ill health	13 Jan. 1880
Bell, Peter	Labourer, India Store Depôt	78	26	46 16 –	(*b*) 26 – –	Permitted to retire, being unfit for duty.	6 June 1881
Brown, James	Messenger	53	–	100 – –	50 – –	Injuries received in the execution of his duty.	1 Jan. 1880
Bushell, A.	First Class Foreman, India Store Depôt.	54	30	117 – –	65 – –	Ill health	1 Sept. 1882
Fountain, W.	Viewer, India Store Depôt	66	28	124 16 –	58 6 8	Compulsorily retired.	7 April 1885
Grasswell, A. N.	Supervisor, First Grade, India Store Depôt.	37	18	520 – –	100 – – of which the sum of 50 *l.* had been commuted prior to 1886–87.	ditto	21 Jan. 1880
Green, M.	Second Class Messenger	–	16	110 – –	18 4 –	ditto	14 Dec. 1875
Healy, John	Labourer, India Store Depôt	46	15	57 4 –	14 6 –	Ill health	15 Oct. 1882
			Carried forward	£.	372 7 –		

(*a*) Is also in receipt of an Indian military pension of 51 *l.* 10 *s.*
(*b*) Is also in receipt of a pension of 19 *l.* 10 *s.* granted to him on the abolition of the East India Company's warehouses in 1834.

No. 10.—STATEMENT of Superannuation and Retired Allowances, &c.—*continued.*

Name.	Rank.	Age at the Time of Retirement.	Period of Service.	Yearly Salary at the Time of Retirement.	Yearly Allowance Granted.	Cause of Retirement.	Authorised by the Secretary of State for India in Council; Allowances commenced on
		Years.	*Years.*	£. s. d.	£. s. d.		
COMPASSIONATE ALLOWANCES—*continued.*			Brought forward - -		372 7 –		
Hope, James - - -	Labourer, India Store Depôt -	–	18	72 16 –	31 15 6	Ill health -	4 Feb. 1878
Iden, Thomas - -	- - ditto - - ditto - -	–	14	52 – –	13 – –	Permitted to retire, being unfit for duty.	6 June 1881
Lawson, Alfred - -	Second Class Messenger - -	38	15	96 – –	24 – –	- ditto - -	25 Aug. 1870
Leslie, Mrs. S. E. - -	Housemaid - - - - -	59	34	40 – –	36 8 –	Injuries received in the execution of her duty.	30 April 1880
Letter, W. - - -	Labourer, India Store Depôt -	–	16	52 – –	13 17 4	Permitted to retire, being unfit for duty.	6 June 1881
Love, Thomas - -	Temporary Labourer, India Store Depôt.	56	11	52 – –	18 4 –	Injuries received in the execution of his duty.	13 Jan. 1881
Manning, P. - - -	Foreman of Packers, India Store Depôt.	60	46	127 16 –	85 4 –	Age - - -	13 Aug. 1880
Mills, Mrs. Nancy - -	Housemaid - - - - -	68	33	48 12 –	35 18 –	Ill health -	25 Oct. 1878
Morris, Thomas - -	Leading Man, India Store Depôt	37	10	62 8 –	26 – –	Injuries received in the execution of his duty.	30 Nov. 1868
Ohren, M. - - -	Labourer, India Store Depôt -	–	32	62 8 –	33 3 –	Permitted to retire, being unfit for duty.	6 June 1881
Perrott, G. - - -	First Class Messenger - -	–	18	118 – –	25 – –	Compulsorily retired.	14 Nov. 1876
Phillips, R. - - -	Gate Keeper, India Store Depôt	54	31	104 – –	56 – –	Ill health -	17 July 1877
Powe-, John - - -	Labourer, India Store Depôt -	53	10	52 – –	26 – –	- ditto - -	18 Oct. 1876
Purchase, E. G. - -	Labourer, India Store Depôt -	–	7	54 12 –	31 5 –	Injuries received in the execution of his duty.	9 June 1864
Roberts, Mrs. S. - -	Housemaid - - - - -	–	36	40 – –	27 6 –	Ill health -	29 Nov. 1878
Sample, A. C. - -	Gate Keeper, India Store Depôt	–	26	104 – –	45 1 4	- ditto - -	5 Aug. 1881
Slater, P. - - -	Steam Crane Man, India Store Depôt.	–	20	62 8 –	(*a*) 23 8 –	- ditto - -	16 Sept. 1876
Spurr, J. - - -	Labourer, India Store Depôt -	–	15	52 – –	14 14 8 of which the sum of 4*l.* 6*s.* 8*d.* had been commuted prior to 1886–87.	Permitted to retire, being unfit for duty.	6 June 1881
Taylor, D. B. - - -	Smith, India Store Depôt - -	48	16	70 4 –	18 12 8	Ill health -	20 Sept. 1884
Tonks, F. - - -	Third Class Messenger - -	–	19	100 19 4	24 – –	Compulsorily retired.	14 Mar. 1867
Walsh, George - -	Extra Labourer, India Store Depôt.	35	3	44 4 –	26 – –	Injuries received in the execution of his duty.	30 Nov. 1868
Wilbraham, James -	Cloth Viewer, India Store Depôt.	63	48	117 – –	81 18 –	Ill health -	8 Sept. 1870
Williams, H. C. - -	Senior Clerk, Correspondence Department.	40	19	560 – –	175 – –	Compulsorily retired.	3 Nov. 1885
Wilson, Robert - -	Second Class Foreman, India Store Depôt.	63	24	71 10 –	13 4 –	- ditto - -	21 Feb. 1882
				£.	1,277 2 6		

(*a*) Is also in receipt of a pension of 19*l.* 10*s.* granted to him on the abolition of the East India Company's warehouses in 1834.

SUMMARY.

	£. s. d.
SUPERANNUATION ALLOWANCES - - - - - - - - - - - - - - - -	12,628 12 2
COMPENSATION ALLOWANCES - - - - - - - - - - - - - - - -	26,584 4 4
COMPASSIONATE ALLOWANCES - - - - - - - - - - - - - - - -	1,277 2 6
TOTAL - - - - £.	40,489 19 –

Thos. W. Keith, Accountant General.

No. 11. - - - - - - - -

ACCOUNT showing the Total Amount of INDIAN DEBT raised in *England*, the Annual
the Debt and Charge created in the Year ended the 31st March 1887; the
of Debt, the Annual Charge thereof, and the Indian Railway Annuities, on the

	Capital of Debt.	Rate per Cent.	Annual Charge.		
			Interest and Annuity.	Management.	TOTAL.
TOTAL DEBT AND ANNUITIES ON THE 31ST MARCH 1886.	£. s. d.		£. s. d.	£. s. d.	£. s. d.
Debt bearing Interest:					
India 4 per Cent. Stock	53,343,789 13 3	4	2,133,751 11 9	18,136 17 9	2,151,888 9 6
India 3½ per Cent. Stock	6,483,471 3 1	3½	226,921 9 9	2,593 7 9	229,514 17 6
India 3 per Cent. Stock	6,748,548 1 2	3	202,456 8 10	2,699 8 5	205,155 17 3
India Debentures	5,000,000 – –	3½	175,000 – –	- - -	175,000 – –
East Indian Railway Debenture Stock	1,495,650 – –	4½	64,604 5 –	- - -	64,604 5 –
Eastern Bengal Railway Debenture Stock	348,666 – –	4	13,946 12 9	118 10 11	14,065 3 8
Eastern Bengal Railway Debentures	409,700 – –	4	16,388 – –	- - -	16,388 – –
	73,769,824 17 6				
Debt not bearing Interest:					
India 5 per Cent. Stock	14,778 17 5				
East India Bonds	20,917 – –				
East Indian Railway Debentures	1,100 – –				
TOTAL Debt, and Annual Charge thereof, on 31st March 1886	73,806,620 14 11		2,833,068 8 1	23,548 4 10	2,856,616 12 11
Indian Railway Annuities.					
East Indian Railway:					
Annuity terminating in 1953	- - -	–	850,658 11 4	- - -	850,658 11 4
Interest in lieu of Deferred Annuity	- - -	–	262,000 – –	- - -	262,000 – –
Contribution towards Management, &c., in respect of the Annuity registered in the name of the Secretary of State	- - -	–	- - -	1,368 1 10	1,368 1 10
Eastern Bengal Railway:					
Annuity terminating in 1957	- - -	–	116,850 14 9	- - -	116,850 14 9
Contribution towards Pension Fund in respect of the Annuity registered in the name of the Secretary of State	- - -	–	- - -	140 3 7	140 3 7
Scinde, Punjab, and Delhi Railway:					
Annuity terminating in 1958	- - -	–	571,828 14 –	- - -	571,828 14 –
TOTAL Indian Railway Annuities on 31st March 1886	- - -	–	1,801,338 – 1	1,508 5 5	1,802,846 5 6
			4,634,406 8 2	25,056 10 3	4,659,462 18 5
DEBT CREATED IN THE YEAR.					
Debt bearing Interest.:					
India 3½ per Cent. Stock (issued in exchange for 120 *l.* 12 *s.* 6 *d.* East Indian Railway Annuity)	2,925 3 –	3½	102 7 7	1 3 5	103 11 –
India 3½ per Cent. Stock (issued in exchange for 200,467 *l.* 10 *s.* 5 *d.* Scinde, Punjab, and Delhi Railway Annuity)	4,911,621 6 1	3½	171,906 14 11	1,964 13 –	173,871 7 11
India 3 per Cent. Stock	6,000,000 – –	3	180,000 – –	2,400 – –	182,400 – –
	10,914,546 9 1	–	352,009 2 6	4,365 16 5	356,374 18 11
Indian Railway Annuities.					
East Indian Railway:					
Contribution towards Management, &c., in respect of the Annuity registered in the name of the Secretary of State, increased	- - -	–	- - -	– 10 –	– 10 –
Scinde, Punjab, and Delhi Railway:					
Contribution towards Pension Fund in respect of the Annuity registered in the name of the Secretary of State	- - -	–	- - -	327 1 2	327 1 2
			—	327 11 2	327 11 2
			352,009 2 6	4,693 7 7	356,702 10 1
£.	84,721,167 4 –		4,986,415 10 8	29,749 17 10	5,016,165 8 6

- - - - - - - - No. 11.

Charge thereof, and the INDIAN RAILWAY ANNUITIES, on the 31st March 1886; Debt and Charge and the Annuities reduced in that Year; and the Total Amount 31st March 1887.

	Capital of Debt.	Rate per Cent.	Annual Charge.		
			Interest and Annuity.	Management.	TOTAL.
DEBT AND ANNUITIES REDUCED IN THE YEAR.					
Debt bearing Interest:	£. s. d.		£. s. d.	£. s. d.	£. s. d.
India 4 per Cent. Stock, purchased with the Sinking Funds, pursuant to Act 42 & 43 Vict. c. 206, s. 51, and Act 44 & 45 Vict. c. 53, s. 2	74,889 12 9	4	2,995 11 8	25 9 3	3,021 - 11
India 4 per Cent. Stock, purchased with the Discount Sinking Fund - - - -	7,079 14 11	4	283 3 10	2 8 2	285 12 -
Eastern Bengal Railway Debentures - -	409,700 - -	4	16,388 - -	- - -	16,388 - -
	491,669 7 8				
Debt not bearing Interest:					
India 5 per Cent. Stock - - - - -	320 - -				
East Indian Railway Debentures - - -	1,000 - -				
	492,989 7 8	-	19,666 15 6	27 17 5	19,694 12 11
Indian Railway Annuities.					
East Indian Railway:					
Annuity, redeemed by the issue of 2,925 *l.* 3 *s.* India 3½ per Cent. Stock, under Act 44 & 45 Vict. c. 53 - - - - - - -	- - -	-	120 12 6	- - -	120 12 6
Scinde, Punjab, and Delhi Railway:					
Annuity, redeemed by the issue of 4,911,621 *l.* 6 *s.* 1 *d.* India 3½ per Cent. Stock, under Act 44 & 45 Vict. c. 53, and Act 48 & 49 Vict. c. 25, s. 25 - - - - - -	- - -	-	200,467 10 5	- - -	200,467 10 5
Contribution towards Pension Fund in respect of the Annuity registered in the name of the Secretary of State, reduced - -	- - -	-	- - -	10 - 6	10 - 6
			200,588 2 11	10 - 6	200,598 3 5
TOTAL DEBT AND ANNUITIES ON THE 31ST MARCH 1887.*			220,254 18 5	37 17 11	220,292 16 4
Debt bearing Interest:					
India 4 per Cent. Stock - - - - -	53,261,820 5 7	4	2,130,472 16 3	18,109 - 4	2,148,581 16 7
India 3½ per Cent. Stock - - - - -	11,398,017 12 2	3½	398,930 12 3	4,559 4 2	403,489 16 5
India 3 per Cent. Stock - - - - -	12,748,548 1 2	3	382,456 8 10	5,099 8 5	387,555 17 3
India Debentures - - - - - - -	5,000,000 - -	3½	175,000 - -	- - -	175,000 - -
East Indian Railway Debenture Stock - -	1,435,650 - -	4½	64,604 5 -	- - -	64,604 5 -
Eastern Bengal Railway Debenture Stock -	348,666 - -	4	13,946 12 9	118 10 11	14,065 3 8
	84,192,701 18 11				
Debt not bearing Interest:					
India 5 per Cent. Stock - - - - -	14,458 17 5				
East India Bonds - - - - - -	20,917 - -				
East Indian Railway Debentures - - -	100 - -				
	84,228,177 16 4	-	3,165,410 15 1	27,886 3 10	3,193,296 18 11
Indian Railway Annuities.					
East Indian Railway:					
Annuity terminating in 1953 - - -	- - -	-	850,537 18 10	- - -	850,537 18 10
Interest in lieu of Deferred Annuity - -	- - -	-	262,000 - -	- - -	262,000 - -
Contribution towards Management, &c., in respect of the Annuity registered in the name of the Secretary of State - -	- - -	-	- - -	1,368 11 10	1,368 11 10
Eastern Bengal Railway:					
Annuity terminating in 1957 - - -	- - -	-	116,850 14 9	- - -	116,850 14 9
Contribution towards Pension Fund in respect of the Annuity registered in the name of the Secretary of State - - - -	- - -	-	- - -	140 3 7	140 3 7
Scinde, Punjab, and Delhi Railway:					
Annuity terminating in 1958 - - -	- - -	-	371,361 3 7	- - -	371,361 3 7
Contribution towards Pension Fund in respect of the Annuity registered in the name of the Secretary of State - - - -	- - -	-	- - -	317 - 8	317 - 8
			1,600,749 17 2	1,825 16 1	1,602,575 13 3
			4,766,160 12 3	29,711 19 11	4,795,872 12 2
£.	84,721,167 4 -	-	4,986,415 10 8	29,749 17 10	5,016,165 8 6

* For Analysis, *see* following page.

ANALYSIS of the Amount of INDIAN DEBT raised in *England*, the Annual Charge thereof, and INDIAN RAILWAY ANNUITIES, outstanding on the 31st March 1887.

	Capital of Debt.		Rate per Cent.	Annual Charge.		
				Interest and Annuity.	Management.	TOTAL.
Debt, exclusive of that incurred in respect of the under-mentioned Railways.	£. s. d.	£. s. d.		£. s. d.	£. s. d.	£. s. d.
Bearing Interest:						
India 4 per Cent. Stock	48,408,751 13 9		4	1,936,350 1 4	16,458 19 6	1,952,809 – 10
India 3½ per Cent. Stock	3,595,000 – –		3½	125,825 – –	1,438 – –	127,263 – –
India 3 per Cent. Stock	12,500,000 – –		3	375,000 – –	5,000 – –	380,000 – –
India Debentures	5,000,000 – –		3½	175,000 – –	– – –	175,000 – –
Not bearing Interest:	69,503,751 13 9					
India 5 per Cent. Stock	14,458 17 5					
East India Bonds	20,917 – –					
		69,539,127 11 2	–	2,612,175 1 4	22,896 19 6	2,635,072 – 10
Debt incurred and Annuity created in respect of the East Indian Railway.						
Debt bearing Interest:						
India 4 per Cent. Stock	4,882,333 4 –		4	195,293 6 7	1,659 19 10	196,953 6 5
India 3½ per Cent. Stock	2,283,336 11 8		3½	79,916 15 7	913 6 8	80,830 2 3
India 3 per Cent. Stock	247,840 1 2		3	7,435 4 –	99 2 9	7,534 6 9
East Indian Railway Debenture Stock	1,435,650 – –		4½	64,604 5 –	– – –	64,604 5 –
Debt not bearing Interest:	8,849,159 16 10					
East Indian Railway Debentures	100 – –					
		8,849,259 16 10	–	347,249 11 2	2,672 9 3	349,922 – 5
Annuity:						
Annuity terminating in 1953			–	850,537 18 10	– – –	850,537 18 10
Interest in lieu of Deferred Annuity			–	262,000 – –	– – –	262,000 – –
Contribution towards Management, &c., in respect of the Annuity registered in the name of the Secretary of State			–	– – –	1,368 11 10	1,368 11 10
				1,112,537 18 10	1,368 11 10	1,113,906 10 8
Debt incurred and Annuity created in respect of the Eastern Bengal Railway.				1,459,787 10 –	4,041 1 1	1,463,828 11 1
Debt bearing Interest:						
India 4 per Cent. Stock	*—3,883 4 8		4	*— 155 6 7*	*— 1 6 5*	*— 156 13 –*
India 3½ per Cent. Stock	608,059 14 5		3½	21,282 1 9	243 4 6	21,525 6 3
India 3 per Cent. Stock	708 – –		3	21 4 10	– 5 8	21 10 6
Eastern Bengal Railway Debenture Stock	348,866 – –		4	13,946 12 9	118 10 11	14,065 3 8
		953,550 9 9	–	35,094 12 9	360 14 8	35,455 7 5
Annuity:						
Annuity terminating in 1957			–	116,850 14 9	– – –	116,850 14 9
Contribution towards Pension Fund in respect of the Annuity registered in the name of the Secretary of State			–	– – –	140 3 7	140 3 7
				116,850 14 9	140 3 7	116,990 18 4
				151,945 7 6	500 18 3	152,446 5 9
Debt incurred and Annuity created in respect of the Scinde, Punjab, and Delhi Railway.						
Debt bearing Interest:						
India 4 per Cent. Stock	*—25,381 7 6		4	*— 1,015 5 1*	*— 8 12 7*	*— 1,023 17 8*
India 3½ per Cent. Stock	4,911,621 6 1		3½	171,906 14 11	1,964 13 –	173,871 7 11
		4,886,239 18 7	–	170,891 9 10	1,956 – 5	172,847 10 3
Annuity:						
Annuity terminating in 1958			–	371,361 3 7	– – –	371,361 3 7
Contribution towards Pension Fund in respect of the Annuity registered in the name of the Secretary of State			–	– – –	317 – 8	317 – 8
				371,361 3 7	317 – 8	371,678 4 3
				542,252 13 5	2,273 1 1	544,525 14 6
	£.	84,228,177 16 4	–	4,766,160 12 3	29,711 19 11	4,795,872 12 2

* The total amount of India 4 per Cent. Stock has been reduced by 29,264 *l.* 12 *s.* 2 *d.*, owing to the Sinking Fund in respect of the redemption of Eastern Bengal Railway Annuity and Debenture Stock, and Scinde, Punjab, and Delhi Railway Annuity, having been applied to the purchase of that amount of India 4 per Cent. Stock, which has been cancelled.

Thos. W. Keith, Accountant General.

No. 12.

LIST of the ESTABLISHMENT of the SECRETARY of STATE in COUNCIL of *India*; and ESTIMATE of the AMOUNT required in the Year ending 31st March 1888, to pay the SALARIES and other EXPENSES of the INDIA OFFICE, and of the OFFICE of the AUDITOR of the ACCOUNTS of the SECRETARY of STATE in COUNCIL.

	1887-88.	1886-87.	INCREASE.	DECREASE.
INDIA OFFICE.	£.	£.	£.	£.
SALARIES, WAGES, AND ALLOWANCES	151,536	153,582	-	2,046
POSTAGE OF DESPATCHES TO AND FROM INDIA	4,000	4,000	—	—
TELEGRAMS TO INDIA	7,500	10,000	-	2,500
LAW CHARGES	600	800	-	200
CONTINGENCIES	11,600	12,600	-	1,000
CONTINGENCIES OF THE STORE DEPÔT	13,089	12,468	621	—
OFFICE OF AUDITOR.				
SALARIES AND ALLOWANCES	6,312	6,174	138	—
CONTINGENCIES (INCLUDED IN THOSE OF THE INDIA OFFICE)	—	—	—	—
	194,637	199,624	759	5,746
	NET DECREASE		£. 4,987.	
SUPERANNUATION AND RETIRED ALLOWANCES	40,023*	40,490*	-	467

* Estimated Charge for the Year, including the annual amount of Pensions which have been commuted.

Cost of Stationery, Printing, and Bookbinding, for the Year 1885-86 - - - *£. 8,031.*

INDIA OFFICE.

SUMMARY of SALARIES, WAGES, and ALLOWANCES.

Numbers. 1886-87.	Numbers. 1887-88.		1887-88.	1886-87.	INCREASE.	DECREASE.
			£.	£.	£.	£.
19	19	Secretary of State, Permanent Under Secretary of State, Parliamentary Under Secretary of State, Assistant Under Secretary of State and Clerk to Council, and 15 Members of Council	27,700	27,700	—	—
47	46	Correspondence Department	33,005	32,452	553	—
4	4	Funds Department	2,368	2,334	34	—
48	48	Accountant General's Department	15,954	15,608	346	—
41	41	Registry and Record Department	10,459	10,301	158	—
8	8	Miscellaneous Officers, &c.	4,148	4,138	10	—
13	12	Miscellaneous Officers and Clerks not on the Permanent Establishment	5,830	5,809	21	—
22	23	Clerks temporarily employed at the India Office	2,842	2,804	38	—
65	64	Office Keepers and Messengers	6,542	6,589	-	47
32	32	Housekeeper, Housemaids, and Charwomen	1,324	1,324	—	—
21	21	Artificers and Labourers employed at the India Office	1,689	1,689	—	—
301	301	Store Department: India Office Branch, Branch at the India Store Depôt, Miscellaneous Officers at the Store Depôt not on the Permanent Establishment, Clerks temporarily employed in the Store Department, Artificers and Labourers employed at the Store Depôt, Labourers temporarily employed at the Store Depôt, Examiners and Tellers employed by the Inland Revenue Department in connection with the supply of Stamps for India	39,675	42,834	-	3,159
621	619	£.	151,536	153,582	1,160	3,206
		NET DECREASE			£. 2,046.	

No. 12.—Establishment of the Secretary of State in Council of *India*, &c.—*continued.*

Details of the foregoing.

Numbers. 1886-87.	Numbers. 1887-88.	Salaries, Wages, and Allowances.	Salary of Office. Minimum.	Annual Increment.	Maximum.	1887-88.	1886-87.
		Secretary of State, &c.	£.	£.	£.	£.	£.
1	1	Secretary of State	- -	- -	- -	5,000	5,000
1	1	Permanent Under Secretary of State	- -	- -	- -	2,000	2,000
1	1	Parliamentary Under Secretary of State	- -	- -	- -	1,500	1,500
1	1	Assistant Under Secretary of State and Clerk to Council	- -	- -	- -	1,200	1,200
15	15	Members of Council at 1,200 *l.* each (1)	- -	- -	- -	18,000	18,000
19	19				£.	27,700	27,700

(1) Five also receive Indian Civil Service Annuities of 1,000 *l.* each; two, Indian Military Non-Effective Pay at 25 *s.* a day, and Colonel's Allowance at 668 *l.* 12 *s.* 5 *d.* a year each; one, Indian Military Retired Pay at 25 *s.* a day, and a good Service Pension of 100 *l.* a year; two, Indian Military Retired Pay at 1 *l.* and 10 *s.* 6 *d.* a day respectively; and two, Pay in respect of service in the British Army.

		Correspondence Department.					
6	6	Secretaries, at 1,200 *l.* each (2)	- -	- -	- -	8,000	8,000
7	7	Assistants (3)	800	25	1,000	6,650	6,575
1	1	Redundant Assistant	700	25	900 (with an extra 100 *l.* if he should become one of the 3 Senior Assistants.)	806	781
1	1	Special Assistant and Visitor to India Museum (4)	- -	- -	- -	800	800
10	10	Senior Clerks (5)	600	25	800	7,432	7,182
6	6	Redundant Senior Clerks	500	20	700	3,568	3,468
9	8	Junior Clerks (6)	200	20	600	3,363	3,300
1	1	Political Aide-de-Camp to the Secretary of State for India:					
		Salary	- -	- -	- -	500	500
		Contingent Expenses	- -	- -	- -	300	300
3	3	Clerks specially attached to the Political and Secret Department	150	10	250	714	684
1	1	Clerk for Examination of Army Non-Effective Accounts	300	10	400	322	312
1	1	Clerk to "Special Assistant and Visitor to India Museum" (7)	- -	- -	- -	400	400
1	1	Technical Assistant to "Special Assistant and Visitor to India Museum"	- -	- -	120	150 Present Incumbent.	150
47	46				£.	33,005	32,452

(2) Two receive 1,800 *l.* and 1,400 *l.* respectively, which salaries are personal to the present holders; one Secretary also receives Indian Military Non-Effective Pay at 25 *s.* a day, and Colonel's Allowance at 668 *l.* 12 *s.* 5 *d.* a year; one, an Indian Judicial Pension of 1,200 *l.* a year; one, an Indian Civil Service Annuity of 884 *l.* 10 *s.* 9 *d.*; and one, Indian Military Pay at 20 *s.* a day.
(3) One receives 100 *l.* as Assistant Government Director of Indian Railway Companies.
(4) Also receives a pension of 270 *l.* a year for service in India.
(5) One receives a personal allowance of 100 *l.*; and one receives 50 *l.* as Reading Clerk to Council.
(6) Three receive 150 *l.* each, as Private Secretaries to Under Secretaries of State, and as Assistant Private Secretary and Précis Writer to Secretary of State; three receive 60 *l.* each as Compensation, until promoted, for superior appointments abolished; three receive 87 *l.* 10 *s.*, 75 *l.*, and 50 *l.* respectively for editing the "India List"; one receives 50 *l.* for editing the "India Office List"; and two receive 50 *l.* each as Resident Clerks.
(7) Also receives an Indian Military Pension of 2 *s.* 6 *d.* a day.

		Funds Department.					
1	1	Director of Funds and Agent to the Administrators General of India	- -	- -	- -	1,000	1,100
		Allowance as Agent to the Administrators General	- -	- -	- -	100	
1	1	Actuarial Clerk	350	15	500	429	414
1	1	Head Book-keeper	300	15	500	500	496
1	1	Assistant Book-keeper	200	15	350	339	324
		(One of the Senior Clerks of the Correspondence Department, whose salary, 781 *l.*, is charged under Correspondence Department above, is attached to the Funds Department.)					
4	4				£.	2,368	2,334

No. 12.—ESTABLISHMENT of the Secretary of State in Council of *India*, &c.—*continued*.

Numbers.		SALARIES, WAGES, AND ALLOWANCES —*continued*.	SALARY OF OFFICE.			1887-88.	1886-87.
1886-87.	1887-88.		Minimum.	Annual Increment.	Maximum.		
		ACCOUNTANT GENERAL'S DEPARTMENT.	£.	£.	£.	£.	£.
1	1	Accountant General	- -	- -	- -	1,200	1,200
1	1	Deputy Accountant General (1)	800	25	1,000	1,100	1,100
7	7	Senior Clerks (2) (3)	500	20	700	4,947	4,887
1	1	Supernumerary Senior Clerk (3)	500	20	700	583	563
1	1	Clerk specially attached	- -	- -	- -	500	500
9	9	Junior Clerks (3) (4) (5) — 1 at / 8 at	100 / 100	16 / 16	450 / 350	2,511	2,517
27	27	Second Class Clerks (3) (6)	1st year 80 *l.*, 2nd year 90 *l.*, 3rd, 4th, and 5th years 100 *l.*, 6th year 125 *l.*, and thenceforward rising by 25 *l.* triennially to 250 *l.*			4,984	4,721
1	1	Keeper of Records	120	10 (triennially)	150	129	120
48	48				£.	15,954	15,608

(1) Receives a personal allowance of 100 *l.*
(2) Three receive extra allowances:—One of 100 *l.* and two of 50 *l.* each.
(3) Allowances for Income Tax duties are as follows:—Two Senior Clerks, 24 *l.* each; two Senior Clerks, 15 *l.* each; three Senior Clerks, 8 *l.* each; Supernumerary Senior Clerk, 8 *l.*; one Junior Clerk, 8 *l.*; three Junior Clerks and seven Second Class Clerks, 3 *l.* each; amounting in the aggregate to 148 *l.*, for which an allowance is made from Imperial Revenues.
(4) Two receive 60 *l.* each as compensation, until promoted, for superior appointments abolished; a similar allowance of 60 *l.* being in abeyance pending the absorption of the Supernumerary Senior Clerkship.
(5) One receives 300 *l.* as Private Secretary to the Secretary of State (charged under Miscellaneous Officers not on the permanent Establishment).
(6) Eleven receive personal allowances; eight of 50 *l.* each to cease 25th December 1888; one of 45 *l.* to cease 29th September 1889; and two of 40 *l.* each to cease 24th June 1890.

		REGISTRY AND RECORD DEPARTMENT.					
1	1	Registrar and Superintendent of Records	- -	- -	- -	1,000	1,000
4	4	Assistants to ditto (1) — 3 at / 1 at	350 / - -	15 / - -	650 / 400	2,105	2,075
1	1	Extra Assistant to Registrar	450	15	650	650	650
1	1	Clerk for Geographical Records	- -	- -	- -	500	500
29	29	Second Class Clerks (2) (7)	On the same scale of salary as in the Accountant General's Department			5,406	5,278
1	1	Clerk specially attached (3)	- -	- -	- -	193	193
1	1	Keeper of Records (4)	- -	- -	150	175	175
1	1	Map Mounter	100	15	150	150	150
1	1	Press Writer (5)	- -	- -	150	170	170
1	1	Assistant Press Writer (6)	- -	- -	100	110	110
41	41				£.	10,459	10,301

(1) One receives a personal allowance of 100 *l.*
(2) Nine receive Duty Pay:—One of 100 *l.*, and an annual gratuity of 50 *l.* for the preparation of a Sanitary Blue Book; four of 50 *l.* each, and four of 25 *l.* each.
(3) Received from Imperial Revenues in October 1872 the commuted value of a Pension of 206 *l.* 13 *s.* 4 *d.*
(4) Receives a personal allowance of 25 *l.*
(5) Receives a personal allowance of 20 *l.*
(6) Receives a personal allowance of 10 *l.*
(7) One receives 50 *l.* for editing the "India List."

		MISCELLANEOUS OFFICERS, &c.					
1	1	Deputy Government Director of Indian Railway Companies (1)	- -	- -	- -	700	700
1	1	Librarian (2)	- -	- -	600	800	800
1	1	Assistant to ditto	- -	- -	- -	200	200
2	2	Members of the Medical Board for the examination of Officers of the Indian Services — one (3) at / one (4) at	- - (Appointment held during furlough only.)		- -	600 / 300	600 / 300
1	1	Legal Adviser to the Secretary of State (5)	- -	- -	- -	700	700
1	1	Surveyor and Clerk of the Works (6)	300	10	400	650	650
1	1	Assistant to ditto	180	10	250	198	188
8	8				£.	4,148	4,138

(1) Also receives Indian Military Non-effective Pay at 25 *s.* a day, and Colonel's allowance at 668 *l.* 12 *s.* 5 *d.* a year.
(2) Receives a personal allowance of 200 *l.*
(3) Also receives an Indian Medical Pension of 365 *l.* a year, and an annuity of 300 *l.* from the Bengal Medical Retiring Fund.
(4) Also receives Indian Medical Furlough Pay at 25 *s.* a day.
(5) Also receives an Indian Judicial Pension of 900 *l.* a year.
(6) Receives a personal allowance of 250 *l.*

No. 12.—Establishment of the Secretary of State in Council of *India*, &c.—*continued.*

Numbers. 1886-87.	Numbers. 1887-88.	Salaries, Wages, and Allowances —*continued.*	Salary of Office. Minimum.	Annual Increment.	Maximum.	1887-88.	1886-87.
		Miscellaneous Officers and Clerks not on the Permanent Establishment.	£.	£.	£.	£.	£.
1	— (1)	Private Secretary to the Secretary of State	- -	- -	- -	300	300
1	1	Consulting Officer for the Indian Troop Service	- -	- -	- -	1,000	1,000
1	1	Ordnance Consulting Officer for India (2)	- -	- -	- -	500	500
1	1	Assistant Military Secretary for Indian Affairs at the Horse Guards (3)	- -	- -	- -	1,300	1,300
1	1	Clerk to ditto	120	10	300	300	300
1	1	Indian Officer attached to the Intelligence Department, Horse Guards (4)	- -	- -	- -	566	566
1	1	Registrar of the Orders of the Star of India, and of the Indian Empire	- -	- -	- -	350	350
3	3	Clerks to the Legal Advisor:					
		One at	- -	- -	- -	550	550
		One at	200	15	350	268	253
		One at	- -	- -	- -	160	160
1	1	Clerk to the Commissioners of Income Tax (5)	- -	- -	- -	226	226
1	1	Officer temporarily employed in connection with the Revenue, Statistics and Commerce Department	- -	- -	- -	200	200
1	1	Computing Clerk in the Funds Department	Paid like Men Copyists at 10*d.* an hour, with 10*s.* a week additional			110	104
13	12				£.	5,830	5,809

(1) The present incumbent, appointed on the 4th August 1886, is not counted here, being a Junior Clerk in the Accountant General's Department.
(2) Also receives 16*s.* a day regimental pay.
(3) Also receives Colonel's allowance at 668 *l.* 12*s.* 5*d.* a year, and a wound pension of 100 *l.*
(4) Includes 16*s.* a day, the English pay of the rank of the officer recently holding this office, which however is now vacant, and the question of filling it is under consideration.
(5) For which an allowance is made from Imperial Revenues. This officer also receives a superannuation allowance of 1,700 *l.* a year.

22	23	Clerks temporarily employed at the India Office	One at 4 *l.* 4*s.* a week, eight at 3 *l.* 3*s.* a week; and ten at 10*d.* an hour, and four at from 4*d.* to 5*d.* an hour, supplied by the Civil Service Commission			2,842	2,804
		Office Keepers and Messengers.					
1	1	Head Office Keeper (1)	With apartments		200	320	320
1	1	Second Office Keeper (2)	- ditto - - -		150	170	170
1	1	Third Office Keeper (3)	- - - -		140	176	176
			In lieu of apartments		26		
10	10	Messengers, First Class (4)	110	2	120	1,405	1,393
1	1	Supernumerary ditto (4)	110	2	120	148	146
40	39	Messengers, Second Class (with uniform) (4)	80	2	100	3,805	3,892
1	1	Extra Messenger - - (ditto)	- -	- -	- -	100	100
2	2	Messengers at the Store Depôt (ditto) (4)	80	2	100	209	209
8	8	Boy Messengers	- -	At 1*s.* a day	- -	209	183
65	64				£.	6,542	6,589

(1) The present incumbent receives a salary of 300 *l.*, with a personal allowance of 20 *l.*
(2) Receives a personal allowance of 20 *l.*
(3) Receives a compensation allowance of 10 *l.*
(4) The following allowances are received by 1st and 2nd Class Messengers:—Three receive 30 *l.* each for attendance on the Secretary of State; one receives 20 *l.*, and two receive 10 *l.* each for attendance on the Under Secretaries of State; one receives 25 *l.* as Bank Messenger; one receives 20 *l.* for superintending the delivery of coals; one receives 30 *l.* for the despatch of letters; one receives 10 *l.* for assisting the Head Office Keeper; two receive 10 *l.* each for performing the duties of Hall Porter; and one receives a special allowance of 5 *l.* Also the following compensation allowances:—One of 10 *l.* 10*s.*; three of 10 *l.*; three of 8 *l.* 18*s.* 9*d.*; and three of 3 *l.* 16*s.*

		Housekeeper, Housemaids, and Charwomen.					
1	1	Housekeeper (1)	With apartments		80	100	100
27	27	Housemaids (not entitled to pension)	- -	- -	40	1,080	1,080
4	4	Charwomen (ditto)	- -	- -	14*s.* a week	144	144
32	32				£.	1,324	1,324

(1) Receives a personal allowance of 20 *l.*

21	21	Artificers and Labourers employed at the India Office	At wages varying up to 3 *l.* a week			1,689	1,689

No. 12.—Establishment of the Secretary of State in Council of *India*, &c.—*continued.*

Numbers.		Salaries, Wages, and Allowances —*continued.*	Salary of Office.			1887-88.	1886-87.
1886-87.	1887-88.		Minimum.	Annual Increment.	Maximum.		
		Store Department.	£.	£.	£.	£.	£.
		India Office Branch.					
1	1	Director General	-	-	-	1,200	1,200
1	1	Assistant to the Director General (1)	700	25	900	1,000	1,000
7	7	Senior Clerks (2)	500	20	700	4,725	4,855
7	6	Junior Clerks	100	15	500	2,069	2,368
6	6	Second Class Clerks	On the same scale of salary as in the Accountant General's Department.			855	950
1	1	Member of Committee for Valuation of Military Equipments (3)	500	20	700	700	700
1	1	Inspector General of Railway Stores (4)	-	-	-	1,000	1,000
2	2	Clerks to Inspector General of Railway Stores:					
		One at	350	15	500	500	485
		One at	150	10	300	185	175
		(1) Receives a personal allowance of 100 *l.* (2) Three receive extra allowances of 100 *l.* each. (3) Also receives Indian Military Retired Pay at 7 *s.* a day. (4) Also receives Indian Military Retired Pay at 600 *l.* a year.					
		Branch at the India Store Depôt.					
1	1	Superintendent (1)	-	-	800	900	900
1	1	Assistant Superintendent	-	-	-	700	700
4	4	Supervisors, First Grade (2)	350	15	500	1,876	1,985
5	5	Supervisors, Second Grade (3)	150	10	300	1,021	1,148
1	1	Supernumerary Supervisor, Second Grade	-	-	-	150	150
12	12	Second Class Clerks	On the same scale of salary as in the Accountant General's Department.			1,852	1,879
14	15	Examiners of Stores	180	Rising on report of Director General.	300	3,574	3,490
12	13	Assistant Examiners of Stores	120	- ditto -	180	2,115	1,815
1	1	Principal Foreman	120	- ditto -	200	175	175
1	1	Engineer	120	- ditto -	200	175	175
1	1	Shipping Foreman	120	- ditto -	150	130	130
1	1	Inspector of Scientific Instruments	300	15	500	465	450
1	1	Examiner of Surgical Instruments (4)	-	-	50	100	100
		(1) Receives a personal allowance of 100 *l.* (2) One also receives an Indian Military Pension of 6 *s.* 6 *d.* a day, and an annuity of 50 *l.*; and one an Indian Military Pension of 60 *l.* a year. (3) One also receives an Indian Military Pension of 55 *l.* a year. (4) Receives a personal allowance of 50 *l.*					
		Stamp Branch. (*See* Note.)					
1	—	Superintendent	350	15	500	-	500
2	1	Assistant Superintendent	160	10	250	98	488
4	3	Examiners	100	5	150	169	589
		Miscellaneous Officers at the Store Depôt not on the Permanent Establishment.					
1	1						
1	1	Surveyor of Shipping	-	-	-	500	500
1	—	Medical Attendant on Labourers	-	-	-	50	50
1	1	Assistant Cooper for the Examination of Casks of Beer supplied to India	-	-	-	-	120
8	8	Examiner of Medical Stores (1)	-	-	-	300	300
		Clerks temporarily employed in the Store Department	Three at 3 *l.* 3 *s.* a week, one at 1 *l.* 16 *s.* a week; and four at 10 *d.* an hour, supplied by the Civil Service Commission			947	925
90	87	*Artificers and Labourers employed at the Store Depôt*	-	-	-	6,430	6,594
79	85	*Labourers temporarily employed at the Store Depôt*	-	-	-	4,614	4,218
32	32	*Examiners and Tellers temporarily employed at the Stamp Branch* (*see* Note)	-	-	-	1,100	2,720
301	301				£.	39,675	42,834

(1) Also receives an Indian Medical Pension of 292 *l.* a year, and an annuity of 300 *l.* from the Bengal Medical Retiring Fund.

Note.—The control and superintendence of the supply of Stamps for India were transferred to the Inland Revenue Department with effect from 1st October 1886, and these officers are now paid through that Department. The claim on this office for the charge in connection with that service will be made by the Inland Revenue Department annually in May for the period to the 31st March, and consequently the payment in 1887-88 will only be for the six months from 1st October 1886 to 31st March 1887.

No. 12.—ESTABLISHMENT of the Secretary of State in Council of *India*, &c.—*continued.*

	1887-88.	1886-87.	INCREASE.	DECREASE.
CONTINGENCIES OF THE INDIA OFFICE.	£.	£.	£.	£.
Rates and Taxes	710	700	10	—
Repairs, Furniture, and Fittings	4,220	4,800	-	580
Coals and Firewood	450	450	—	—
Gas, Candles, Soap, and other House Articles	1,000	1,100	-	100
Postage (excluding Postage to and from India)	1,000	1,000	—	—
Telegrams (excluding Telegrams to India)	150	50	100	—
Travelling Expenses	300	300	—	—
Newspapers, Books, Periodicals, Parliamentary Papers, &c.	1,000	1,500	-	(1) 500
Advertisements	850	800	50	—
Stamps	170	200	-	30
Money Orders	80	90	-	10
Messengers' Uniforms	430	300	130	—
Messengers' Allowances for Night Watching	180	180	—	—
Pay of Police	130	130	—	—
Miscellaneous	930	1,000	-	70
£.	11,600	12,600	290	1,290
NET DECREASE				£. 1,000.

(1) The supply of Indian newspapers and the postage thereon have hitherto cost about 500 *l.* a year, but arrangements have been made for obtaining these newspapers, in future, direct from the Governments in India.

CONTINGENCIES OF THE STORE DEPÔT.				
Rent, Rates, and Taxes	1,300	1,300	—	—
Repairs, Furniture, and Fittings	2,220	2,200	20	—
Coals and Coke	500	500	—	—
Gas, Candles, Soap, and other House Articles	300	300	—	—
Travelling Expenses of Officers of the Department	2,500	2,500	—	—
Commission and Travelling Expenses of Professional Inspectors	2,500	2,400	100	—
Carriage of Stores	400	400	—	—
Patterns	100	100	—	—
Advertisements	50	50	—	—
Pay of Police	1,830	1,830	—	—
Miscellaneous	868	888	-	20
Inland Revenue Department for superintendence of the Supply of Stamps for India	521	-	521	—
£.	13,089	12,468	641	20
NET INCREASE				£. 621.

OFFICE OF AUDITOR.

SALARIES AND ALLOWANCES under Act 21 & 22 Vict. c. 106, s. 52.

Numbers. 1886-87.	Numbers. 1887-88.		SALARY OF OFFICE. Minimum.	Annual Increment.	Maximum.	1887-88.	1886-87.
			£.	£.	£.	£.	£.
1	1	Auditor	-	-	-	1,000	1,000
1	1	Senior Inspector	600	25	800	800	800
1	1	Junior Inspector (1)	500	20	600	700	700
4	4	Senior Examiners (2)	300	16	450	1,828	1,784
4	4	Junior Examiners	100	15	300	947	889
6	6	Second Class Clerks	On the same scale of salary as in the Accountant General's Department.			843	807
1	1	Hired Writer	- - At 3 *l.* 3 *s.* a week - -			164	164
1	1	Man Copyist, for a short period	At 10 *d.* an hour, supplied by the Civil Service Commission.			30	30
19	19				£.	6,312	6,174
					NET INCREASE		£. 138.

(1) Receives a personal allowance of 100 *l.*
(2) One receives a personal allowance of 50 *l.*

Thos. W. Keith, Accountant General.

HOME ACCOUNTS

OF THE

GOVERNMENT OF INDIA.

(Presented pursuant to the Act 21 & 22 Vict. c. 106.)

Ordered, by The House of Commons, *to be Printed,*
13 *May* 1887.

LONDON:
PRINTED BY HENRY HANSARD AND SON;
AND
Published by EYRE and SPOTTISWOODE, East Harding-street,
London, E.C.,
and 32, Abingdon-street, Westminster, S.W.;
ADAM and CHARLES BLACK, North Bridge, Edinburgh;
and HODGES, FIGGIS, and Co., 104, Grafton-street, Dublin.

152. [*Price* 8½ *d.*] *Under* 8 *oz.*

H.—30 6 87.

EAST INDIA (ESTIMATE).

ESTIMATE

OF

REVENUE AND EXPENDITURE

OF THE

GOVERNMENT OF INDIA,

For the Year 1888-89,

COMPARED WITH THE RESULTS OF 1887-88.

India Office,
14 May 1889.

HORACE WALPOLE,
Assistant Under Secretary of State for India.

(Presented pursuant to Act 21 & 22 Vict. c. 106.)

Ordered, by The House of Commons, *to be Printed,*
15 *May* 1889.

LONDON:
PRINTED BY HENRY HANSARD AND SON;
AND
Published by EYRE and SPOTTISWOODE, East Harding-street, London, E.C.,
and 32, Abingdon-street, Westminster, S.W.;
ADAM and CHARLES BLACK, North Bridge, Edinburgh;
and HODGES, FIGGIS, and Co., 104, Grafton-street, Dublin.

No. 1.—ABSTRACT ACCOUNT showing the ESTIMATED REVENUE

HEADS OF REVENUE.	1887–88.	ESTIMATE,* 1888–89.
PRINCIPAL HEADS OF REVENUE:	Rx.	Rx.
Land Revenue	23,189,292	23,202,300
Opium	8,515,462	8,560,900
Salt	6,670,728	7,676,900
Stamps	3,876,298	3,932,200
Excise	4,534,655	4,705,700
Provincial Rates	3,035,323	3,019,400
Customs	1,348,837	1,370,000
Assessed Taxes	1,431,436	1,508,600
Forest	1,124,125	1,325,700
Registration	311,253	328,800
Tributes from Native States	743,597	767,000
TOTAL Rx.	54,781,006	56,397,500
INTEREST Rx.	746,555	842,513
POST OFFICE, TELEGRAPH, AND MINT:		
Post Office	1,214,196	1,291,900
Telegraph	763,886	732,571
Mint	251,464	215,841
TOTAL Rx.	2,229,546	2,240,312
RECEIPTS BY CIVIL DEPARTMENTS:		
Law and Justice:		
Courts of Law	322,962	332,900
Jails	248,888	268,900
Police	350,293	347,900
Marine	195,027	191,400
Education	225,205	206,900
Medical	59,952	60,371
Scientific and other Minor Departments	93,415	72,024
TOTAL Rx.	1,495,742	1,480,395
MISCELLANEOUS:		
Receipts in aid of Superannuation, &c.	403,745	425,325
Stationery and Printing	80,282	67,900
Exchange	744,471	951,800
Miscellaneous	377,610	355,444
TOTAL Rx.	1,606,108	1,800,469
RAILWAYS:		
State Railways (Gross Receipts)	10,871,926	11,740,437
Guaranteed Companies (Net Traffic Receipts)	3,636,670	3,652,500
Subsidized Companies (Repayment of Advances of Interest)	24,764	35,100
TOTAL Rx.	14,533,360	15,428,037
IRRIGATION:		
Major Works:		
Direct Receipts	950,961	1,060,700
Portion of Land Revenue due to Irrigation	602,555	612,100
Minor Works and Navigation	160,758	166,100
TOTAL Rx.	1,714,274	1,838,900
BUILDINGS AND ROADS:		
Military Works	40,413	39,700
Civil Works	551,925	549,454
TOTAL Rx.	592,338	589,154
RECEIPTS BY MILITARY DEPARTMENT:		
Army:		
Effective	983,223	912,502
Non-effective	77,592	61,602
TOTAL Rx.	1,060,815	974,104
TOTAL REVENUE Rx.	78,759,744	81,591,384

* This Estimate contains, as regards the transactions in India, the figures adopted in the Financial Statement, and as regards those in England, the figures made up to 31st March, shown in the Home Accounts.

and EXPENDITURE for 1888–89, compared with the RESULTS of 1887–88.

HEADS OF EXPENDITURE.	1887–88.	ESTIMATE,* 1888–89.
	Rx.	Rx.
DIRECT DEMANDS ON THE REVENUES:		
Refunds and Drawbacks	223,982	228,700
Assignments and Compensations	1,468,963	1,479,860
Charges in respect of Collection, viz.:		
Land Revenue	3,486,685	3,538,756
Opium (including cost of Production)	2,424,575	2,648,433
Salt (including cost of Production)	410,704	422,181
Stamps	163,414	153,557
Excise	127,078	137,780
Provincial Rates	62,138	62,000
Customs	134,891	134,877
Assessed Taxes	28,679	28,400
Forest	719,794	810,805
Registration	187,260	191,700
TOTAL - - - Rx.	9,438,163	9,836,489
INTEREST:		
Interest on Debt, other than that charged to Railways and Irrigation Works	5,054,762	4,265,365
Interest on other obligations	386,992	436,403
TOTAL - - - Rx.	5,441,754	4,701,768
POST OFFICE, TELEGRAPH, AND MINT:		
Post Office	1,375,201	1,342,263
Telegraph	786,627	715,781
Mint	94,001	98,149
TOTAL - - - Rx.	2,255,829	2,156,193
SALARIES AND EXPENSES OF CIVIL DEPARTMENTS:		
General Administration	1,769,935	1,748,952
Law and Justice:		
Courts of Law	2,651,051	2,686,489
Jails	771,872	829,800
Police	3,693,621	3,770,700
Marine (including River Navigation)	670,845	583,407
Education	1,291,811	1,309,241
Ecclesiastical	159,122	158,799
Medical	764,945	766,583
Political	684,660	786,524
Scientific and other Minor Departments	448,502	422,103
TOTAL - - - Rx.	12,906,364	13,042,548
MISCELLANEOUS CIVIL CHARGES:		
Territorial and Political Pensions	595,213	536,552
Civil Furlough and Absentee Allowances	308,737	325,938
Superannuation Allowances and Pensions	2,987,417	3,109,978
Stationery and Printing	577,171	564,344
Miscellaneous	292,892	384,715
TOTAL - - - Rx.	4,761,130	4,891,527
FAMINE RELIEF AND INSURANCE:		
Famine Relief	402	10,200
Construction of Protective Irrigation Works	91,006	72,700
TOTAL - - - Rx.	91,408	82,900
CONSTRUCTION OF RAILWAYS (CHARGED AGAINST REVENUE IN ADDITION TO THAT UNDER FAMINE INSURANCE) Rx.	80,945	18,000
RAILWAY REVENUE ACCOUNT:		
State Railways:—Working Expenses	5,594,187	6,043,400
Interest on Debt	3,341,856	3,594,583
Annuities in purchase of Railways	2,390,861	2,474,215
Interest on Capital deposited by Companies	666,365	949,096
Guaranteed Companies:—Surplus Profits, Land, and Supervision	714,057	569,100
Interest	3,852,946	3,959,636
Subsidized Companies:—Land, &c.	43,627	29,000
Miscellaneous Railway Expenditure	51,847	75,000
TOTAL - - - Rx.	16,655,746	17,694,030
IRRIGATION:		
Major Works:—Working Expenses	677,607	719,400
Interest on Debt	1,017,542	1,041,400
Minor Works and Navigation	766,497	869,951
TOTAL - - - Rx.	2,461,646	2,630,751
BUILDINGS AND ROADS:		
Military Works	1,232,060	1,115,727
Civil Works	4,218,989	4,212,003
TOTAL - - - Rx.	5,451,049	5,327,730
ARMY SERVICES:		
Army:—Effective	16,861,488	16,534,886
Non-effective	3,556,446	3,795,909
TOTAL - - - Rx.	20,417,934	20,330,795
SPECIAL DEFENCE WORKS - Rx.	456,017	791,768
TOTAL EXPENDITURE (IMPERIAL AND PROVINCIAL) - - - Rx.	80,417,985	81,564,499

	1887–88.	1888–89.		
	Rx.	Rx.		
Add,—Portion of Allotments to Provincial Governments not spent by them in the Year	423,685	229,200	370,591	203,100
Deduct,—Portion of Provincial Expenditure defrayed from Provincial Balances	—53,094	—26,100		
TOTAL EXPENDITURE CHARGED AGAINST REVENUE - - - Rx.			80,788,576	81,707,599
EXPENDITURE NOT CHARGED TO REVENUE:				
Capital Outlay on Railways and Irrigation Works:				
State Railways			2,251,776	1,341,629
Irrigation Works			533,048	493,186
Rx.			2,784,824	1,834,815
			£.	£.
Capital Charge involved in Redemption of Liabilities, &c. - - - - - - - - - - - - £.			—	10,336,049

ESTIMATE, 1888–89.	* Rx.
Revenue	81,591,384
Expenditure chargeable against Revenue	81,707,599
Excess of Expenditure over Revenue	116,215

No. 2.—ACCOUNT showing the ESTIMATED REVENUE (Imperial, Provincial, compared with the

HEADS OF REVENUE.	INDIA, GENERAL.		CENTRAL PROVINCES.		BURMA.		ASSAM.	
	1887-88.	1888-89.	1887-88.	1888-89.	1887-88.	1888-89.	1887-88.	
PRINCIPAL HEADS OF REVENUE:	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	
Land Revenue	125,755	132,000	624,272	632,200	1,597,351	1,542,400	429,939	1
Opium	234	200	20,323	21,400	35,028	37,000	41,087	2
Salt	1,547,135	1,840,000	27,556	–	41,013	34,500	–	3
Stamps	46,447	44,900	153,386	159,300	99,673	104,000	78,683	4
Excise	89,036	81,700	233,180	245,000	297,886	335,000	210,297	5
Provincial Rates	8,052	7,900	75,123	79,000	89,165	68,200	50,115	6
Customs	–	–	–	–	570,454	500,000	–	7
Assessed Taxes	135,064	213,300	40,844	40,900	32	44,200	23,004	8
Forest	26,511	29,200	109,336	117,600	251,578	411,700	26,732	9
Registration	1,544	1,600	8,301	9,400	3,450	3,600	3,158	10
Tributes from Native States	225,286	217,700	13,107	23,700	1,750	25,000	10	11
TOTAL	2,205,064	2,568,500	1,305,428	1,328,500	2,987,380	3,105,600	863,025	12
INTEREST	275,514	256,800	1,434	1,400	2,396	2,600	461	13
POST OFFICE, TELEGRAPH, AND MINT:								
Post Office	79,505	1,285,600	49,840	700	59,529	–	28,839	14
Telegraph	747,466	707,700	–	–	–	–	–	15
Mint	117,230	78,000	–	–	–	–	–	16
TOTAL	944,201	2,071,300	49,840	700	59,529	–	28,839	17
RECEIPTS BY CIVIL DEPARTMENTS:								
Law and Justice:								
Courts of Law	5,758	9,200	12,094	13,500	48,068	49,500	8,614	18
Jails	29,674	33,700	29,925	30,000	22,050	21,200	6,649	19
Police	7,437	7,200	16,580	17,900	40,641	44,800	11,013	20
Marine	73,254	74,100	–	–	22,965	22,500	313	21
Education	2,167	2,300	15,218	14,900	2,521	2,800	4,150	22
Medical	538	500	870	1,200	1,358	2,200	121	23
Scientific and other Minor Departments	29,950	5,300	1,854	1,500	171	200	4,743	24
TOTAL	148,778	132,300	76,541	79,000	137,774	143,200	35,603	25
MISCELLANEOUS:								
Receipts in aid of Superannuation, &c.	113,181	129,800	5,623	6,800	2,771	2,800	1,614	26
Stationery and Printing	8,996	11,400	1,811	900	2,802	3,400	682	27
Exchange	744,471	951,800	–	–	–	–	–	28
Miscellaneous	37,292	24,600	9,510	8,300	24,477	26,600	9,551	29
TOTAL	903,940	1,117,600	16,944	16,000	30,050	32,800	11,847	30
RAILWAYS:								
State Railways (Gross Receipts)	6,351,900	6,367,500	235,070	291,300	331,041	347,500	6,188	31
Guaranteed Companies (Net Traffic Receipts).	3,636,670	3,652,500	–	–	–	–	–	32
Subsidized Companies (Repayment of Advances of Interest).	–	–	–	–	–	–	–	33
TOTAL	9,988,570	10,020,000	235,070	291,300	331,041	347,500	6,188	34
IRRIGATION:								
Major Works: Direct Receipts	–	–	–	–	–	–	–	35
Portion of Land Revenue due to Irrigation.	–	–	–	–	–	–	–	36
Minor Works and Navigation	1,567	1,700	–	–	2,676	3,800	–	37
TOTAL	1,567	1,700	–	–	2,676	3,800	–	38
BUILDINGS AND ROADS:								
Military Works	23,578	25,000	215	300	1,263	1,000	612	39
Civil Works	9,670	5,700	15,914	13,200	13,701	16,500	13,821	40
TOTAL	33,248	30,700	16,129	13,500	14,964	17,500	14,433	41
RECEIPTS BY MILITARY DEPARTMENT:								
Army: Effective	507,433	525,500	–	–	–	–	–	42
Non-effective	26,143	25,500	–	–	–	–	–	43
TOTAL	533,576	551,000	–	–	–	–	–	44
TOTAL REVENUE	15,034,458	16,749,900	1,701,386	1,730,400	3,565,810	3,653,000	960,396	45

and Local) in each of the PROVINCES of *British India*, and in *England*, for 1888–89, RESULTS of 1887–88.

	ASSAM.	BENGAL.		NORTH WESTERN PROVINCES and OUDH.		CARRIED FORWARD.		HEADS OF REVENUE.
	1888–89.	1887–88.	1888–89.	1887–88.	1888–89.	1887–88.	1888–89.	
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	PRINCIPAL HEADS OF REVENUE:
1	450,000	3,800,109	3,805,000	5,699,841	5,675,400	12,277,267	12,237,000	Land Revenue.
2	41,000	6,100,688	6,446,000	42,730	43,500	6,240,090	6,589,100	Opium.
3	–	1,860,916	2,310,000	–	–	3,476,620	4,184,500	Salt.
4	74,000	1,381,604	1,390,000	658,887	660,000	2,413,630	2,432,200	Stamps.
5	216,000	1,086,575	1,105,000	557,241	559,000	2,474,215	2,541,700	Excise.
6	54,000	805,864	790,300	664,885	663,500	1,693,201	1,662,900	Provincial Rates.
7	–	368,239	405,000	–	–	938,743	905,000	Customs.
8	21,700	383,515	385,000	218,828	214,000	801,287	919,100	Assessed Taxes.
9	28,800	65,779	66,000	124,745	139,600	604,681	792,900	Forest.
10	3,300	101,782	107,500	37,103	38,000	155,338	163,100	Registration.
11	–	–	–	–	–	240,153	266,400	Tributes from Native States.
12	888,800	15,955,121	16,809,800	8,004,260	7,993,000	31,320,278	32,694,200	- - - TOTAL.
13	400	111,130	109,000	14,282	12,500	495,217	382,700	INTEREST.
								POST OFFICE, TELEGRAPH, AND MINT:
14	–	248,193	1,600	169,964	–	635,870	1,287,900	Post Office.
15	–	116	100	–	–	717,582	707,800	Telegraph.
16	–	–	–	–	–	117,230	78,000	Mint.
17	–	248,309	1,700	169,964	–	1,500,682	2,073,700	- - - TOTAL.
								RECEIPTS BY CIVIL DEPARTMENTS:
								Law and Justice:
18	7,000	77,425	77,500	51,411	51,500	203,320	203,200	Courts of Law.
19	7,500	71,028	79,000	32,072	34,000	191,398	205,400	Jails.
20	10,800	77,673	69,000	35,372	36,000	188,746	185,700	Police.
21	–	91,010	88,500	–	–	187,542	185,100	Marine.
22	4,100	72,523	60,000	17,522	13,500	114,101	103,600	Education.
23	100	14,519	14,500	11,595	12,100	29,001	30,600	Medical.
24	5,500	18,227	18,400	10,238	10,000	65,183	40,900	Scientific and other Minor Departments.
25	35,000	422,405	406,900	158,210	163,100	979,311	953,500	- - - TOTAL.
								MISCELLANEOUS:
26	1,900	22,374	22,500	15,638	15,700	161,201	179,500	Receipts in aid of Superannuation, &c.
27	500	22,085	21,000	7,346	6,000	43,722	43,200	Stationery and Printing.
28	–	–	–	–	–	744,471	951,800	Exchange.
29	6,200	112,678	110,000	35,419	38,900	228,927	214,600	Miscellaneous.
30	8,600	157,137	153,500	58,403	60,600	1,178,321	1,389,100	- - - TOTAL.
								RAILWAYS:
31	7,000	1,276,767	1,345,000	63,434	322,700	8,264,400	8,681,000	State Railways (Gross Receipts).
32	–	–	–	–	–	3,636,670	3,652,500	Guaranteed Companies (Net Traffic Receipts).
33	–	–	–	–	–	–	–	Subsidized Companies (Repayment of Advances of Interest).
34	7,000	1,276,767	1,345,000	63,434	322,700	11,901,070	12,333,500	- - - TOTAL.
								IRRIGATION:
35	–	110,323	135,800	425,378	467,900	535,701	603,700	Major Works: Direct Receipts.
36	–	–	–	87,238	87,400	87,238	87,400	Portion of Land Revenue due to Irrigation.
37	–	96,467	100,300	14,505	16,000	115,215	121,800	Minor Works and Navigation.
38	–	206,790	236,100	527,121	571,300	738,154	812,900	- - - TOTAL.
								BUILDINGS AND ROADS:
39	500	386	200	67	100	26,121	27,100	Military Works.
40	13,400	85,783	84,100	101,505	94,200	240,394	227,100	Civil Works.
41	13,900	86,169	84,300	101,572	94,300	266,515	254,200	- - - TOTAL.
								RECEIPTS BY MILITARY DEPARTMENT:
42	–	–	–	–	–	507,433	525,500	Army: Effective.
43	–	–	–	–	–	26,143	25,500	Non-effective.
44	–	–	–	–	–	533,576	551,000	- - - TOTAL.
45	953,700	18,463,828	19,146,300	9,097,246	9,217,500	48,823,124	51,450,800	- - - TOTAL REVENUE.

No. 2.—ACCOUNT showing the Estimated Revenue (Imperial, Provincial, and Local) in each of the

HEADS OF REVENUE.	BROUGHT FORWARD.		PUNJAB.		MADRAS.		BOMBAY.		
	1887–88.	1888–89.	1887–88.	1888–89.	1887–88.	1888–89.	1887–88.	1888–89.	
PRINCIPAL HEADS OF REVENUE:	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	
Land Revenue	12,277,267	12,237,000	2,109,976	2,180,500	4,527,937	4,473,600	4,274,112	4,311,200	1
Opium	6,240,090	6,589,100	5,177	4,800	–	–	2,270,195	1,967,000	2
Salt	3,476,620	4,184,500	–	–	1,448,971	1,642,400	1,745,137	1,850,000	3
Stamps	2,418,680	2,432,200	371,914	390,000	597,161	610,000	488,543	500,000	4
Excise	2,474,215	2,541,700	139,946	146,500	973,906	1,040,000	946,588	977,500	5
Provincial Rates	1,693,204	1,662,900	378,671	395,000	687,490	671,500	275,958	290,000	6
Customs	938,743	905,000	–	–	155,850	175,000	254,244	290,000	7
Assessed Taxes	801,287	919,100	110,488	102,000	168,146	152,500	351,515	335,000	8
Forest	604,681	792,900	78,694	100,600	137,492	147,500	303,258	284,700	9
Registration	155,338	163,400	22,098	22,900	90,762	95,000	43,055	47,500	10
Tributes from Native States	240,153	266,400	27,986	28,000	344,643	344,600	130,815	128,000	11
TOTAL	31,320,278	32,694,200	3,244,950	3,370,300	9,132,358	9,352,100	11,083,420	10,980,900	12
INTEREST	405,217	382,700	18,804	20,100	31,729	32,100	197,103	209,100	13
POST OFFICE, TELEGRAPH, AND MINT:									
Post Office	635,870	1,287,900	166,771	3,800	200,771	–	210,784	200	14
Telegraph	747,582	707,800	–	–	–	–	389	400	15
Mint	117,230	78,000	–	–	–	–	134,207	137,800	16
TOTAL	1,500,682	2,073,700	166,771	3,800	200,771	–	345,380	138,400	17
RECEIPTS BY CIVIL DEPARTMENTS:									
Law and Justice:									
Courts of Law	203,370	208,200	41,848	42,500	45,790	47,700	31,954	34,500	18
Jails	191,398	205,400	24,025	24,000	14,910	19,500	18,555	20,000	19
Police	188,716	185,700	69,923	67,000	36,228	37,700	55,426	57,500	20
Marine	187,542	185,100	–	–	1,384	800	6,101	5,500	21
Education	114,101	103,600	11,597	6,500	30,542	31,200	68,965	65,600	22
Medical	29,001	30,600	3,583	3,400	13,838	12,400	9,605	10,000	23
Scientific and other Minor Departments	65,183	40,900	10,744	12,500	9,036	11,600	7,580	5,300	24
TOTAL	979,311	959,500	161,720	155,900	151,728	160,900	198,186	198,400	25
MISCELLANEOUS:									
Receipts in aid of Superannuation, &c.	161,201	179,500	12,099	12,300	35,260	34,100	47,316	46,000	26
Stationery and Printing	43,722	43,200	20,102	7,000	9,756	10,500	6,702	7,200	27
Exchange	744,471	951,800	–	–	–	–	–	–	28
Miscellaneous	228,927	214,600	29,087	18,100	61,842	61,600	45,124	55,000	29
TOTAL	1,178,321	1,389,100	61,288	37,400	106,858	106,200	99,142	108,200	30
RAILWAYS:									
State Railways (Gross Receipts)	8,264,400	8,681,000	2,195,535	2,558,800	62,507	82,600	349,157	417,700	31
Guaranteed Companies (Net Traffic Receipts).	3,636,670	3,652,500	–	–	–	–	–	–	32
Subsidized Companies (Repayment of Advances of Interest).	–	–	–	–	24,764	35,100	–	–	33
TOTAL	11,901,070	12,333,500	2,195,535	2,558,800	87,271	117,700	349,157	417,700	34
IRRIGATION:									
Major Works: Direct Receipts	535,701	603,700	356,090	391,000	24,282	26,200	34,888	39,800	35
Portion of Land Revenue due to Irrigation.	87,238	87,400	45,654	44,500	409,547	410,500	60,116	69,700	36
Minor Works and Navigation	115,215	121,800	20,816	19,400	10,030	10,900	14,697	14,000	37
TOTAL	738,154	812,900	422,560	454,900	443,859	447,600	109,701	123,500	38
BUILDINGS AND ROADS:									
Military Works	26,121	27,100	530	500	2,698	2,700	11,064	9,400	39
Civil Works	240,394	227,100	59,584	65,500	95,632	99,900	119,956	118,300	40
TOTAL	266,515	254,200	60,114	66,000	98,330	102,600	131,020	127,700	41
RECEIPTS BY MILITARY DEPARTMENT:									
Army: Effective	507,433	525,500	–	–	245,481	190,600	178,113	147,400	42
Non-effective	26,143	25,500	–	–	34,545	16,000	9,985	11,000	43
TOTAL	533,576	551,000	–	–	280,026	206,600	188,098	158,400	44
TOTAL REVENUE	48,823,124	51,450,800	6,331,742	6,667,200	10,532,930	10,525,800	12,701,207	12,462,300	45

Provinces of *British India*, and in *England*, for 1888-89, compared with the Results of 1887-88—*cont*[1].

	Total, India.		England.		Exchange.*		Grand Total.		Heads of Revenue.
	1887-88.	1888-89.	1887-88.	1888-89.	1887-88.	1888-89.	1887-88.	1888-89.	
	Rx.	Rx.	£.	£.	Rx.	Rx.	Rx.	Rx.	Principal Heads of Revenue:
1	23,189,292	23,202,300	–	–	–	–	23,189,292	23,202,300	Land Revenue.
2	8,515,462	8,560,900	–	–	–	–	8,515,462	8,560,900	Opium.
3	6,670,728	7,676,900	–	–	–	–	6,670,728	7,676,900	Salt.
4	3,876,298	3,932,200	–	–	–	–	3,876,298	3,932,200	Stamps.
5	4,534,655	4,705,700	–	–	–	–	4,534,655	4,705,700	Excise.
6	3,035,323	3,019,400	–	–	–	–	3,035,323	3,019,400	Provincial Rates.
7	1,348,837	1,370,000	–	–	–	–	1,348,837	1,370,000	Customs.
8	1,431,436	1,508,600	–	–	–	–	1,431,436	1,508,600	Assessed Taxes.
9	1,124,125	1,325,700	–	–	–	–	1,124,125	1,325,700	Forest.
10	311,253	328,800	–	–	–	–	311,253	328,800	Registration.
11	743,597	767,000	–	–	–	–	743,597	767,000	Tributes from Native States.
12	54,781,006	56,397,500	–	–	–	–	54,781,006	56,397,500	- - - Total.
13	652,853	644,000	65,978	135,477	27,724	63,036	746,555	842,513	Interest.
									Post Office, Telegraph, and Mint:
14	1,214,196	1,291,900	–	–	–	–	1,214,196	1,291,900	Post Office.
15	747,971	708,200	11,206	16,632	4,709	7,739	763,886	732,571	Telegraph.
16	251,437	215,800	19	28	8	13	251,464	215,841	Mint.
17	2,213,604	2,215,900	11,225	16,660	4,717	7,752	2,229,546	2,240,312	- - - Total.
									Receipts by Civil Departments:
									Law and Justice:
18	322,962	332,900	–	–	–	–	322,962	332,900	Courts of Law.
19	248,888	268,900	–	–	–	–	248,888	268,900	Jails.
20	350,293	347,900	–	–	–	–	350,293	347,900	Police.
21	195,027	191,400	–	–	–	–	195,027	191,400	Marine.
22	225,205	206,900	–	–	–	–	225,205	206,900	Education.
23	56,027	56,400	2,764	2,710	1,161	1,261	59,952	60,371	Medical.
24	92,543	70,300	614	1,177	258	547	93,415	72,024	Scientific and other Minor Departments.
25	1,490,945	1,474,700	3,378	3,887	1,419	1,808	1,495,742	1,480,395	- - - Total.
									Miscellaneous:
26	255,876	271,900	104,118	104,707	43,751	48,718	403,745	425,325	Receipts in aid of Superannuation, &c.
27	80,282	67,900	–	–	–	–	80,282	67,900	Stationery and Printing.
28	744,471	951,800	–	–	–	–	744,471	951,800	Exchange.
29	364,980	349,300	8,893	4,193	3,737	1,951	377,610	355,444	Miscellaneous.
30	1,445,609	1,640,900	113,011	108,900	47,488	50,669	1,606,108	1,800,469	- - - Total.
									Railways:
31	10,871,599	11,740,100	230	230	97	107	10,871,926	11,740,437	State Railways (Gross Receipts).
32	3,636,670	3,652,500	–	–	–	–	3,636,670	3,652,500	Guaranteed Companies (Net Traffic Receipts).
33	24,764	35,100	–	–	–	–	24,764	35,100	Subsidized Companies (Repayment of Advances of Interest).
34	14,533,033	15,427,700	230	230	97	107	14,533,360	15,428,037	- - - Total.
									Irrigation:
35	950,961	1,060,700	–	–	–	–	950,961	1,060,700	Major Works: Direct Receipts.
36	602,555	612,100	–	–	–	–	602,555	612,100	Portion of Land Revenue due to Irrigation.
37	160,758	166,100	–	–	–	–	160,758	166,100	Minor Works and Navigation.
38	1,714,274	1,838,900	–	–	–	–	1,714,274	1,838,900	- - - Total.
									Buildings and Roads:
39	40,413	39,700	–	–	–	–	40,413	39,700	Military Works.
40	515,566	510,800	25,601	26,380	10,758	12,274	551,925	549,454	Civil Works.
41	555,979	550,500	25,601	26,380	10,758	12,274	592,338	589,154	- - - Total.
									Receipts by Military Department:
42	931,027	863,500	36,752	33,442	15,444	15,560	983,223	912,502	Army: Effective.
43	70,673	52,500	4,872	6,212	2,047	2,890	77,592	61,602	Non-effective.
44	1,001,700	916,000	41,624	39,654	17,491	18,450	1,060,815	974,104	- - - Total.
45	78,389,003	81,106,100	261,047	331,188	109,694	154,096	78,759,744	81,591,384	- - - TOTAL REVENUE.

* The columns headed "Exchange" show, under the several heads of Revenue and Expenditure which include transactions in England, the Exchange thereon calculated in accordance with the average rate obtained for Bills and Telegraphic Transfers sold during the year.

No. 3.—ACCOUNT showing the ESTIMATED EXPENDITURE (Imperial, Provincial, compared with the

HEADS OF EXPENDITURE.	INDIA, GENERAL.		CENTRAL PROVINCES.		BURMA.		ASSAM.	
	1887-88.	1888-89.	1887-88.	1888-89.	1887-88.	1888-89.	1887-88.	
DIRECT DEMANDS ON THE REVENUES:	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	
Refunds and Drawbacks	2,676	10,100	2,176	2,000	29,226	21,100	2,552	1
Assignments and Compensations	304,499	309,300	6,911	6,200	–	–	3,996	2
Charges in respect of Collection, viz.:								
Land Revenue	53,623	56,500	152,255	154,500	276,713	290,900	93,504	3
Opium (including cost of Production)	1,315	1,300	–	–	–	–	–	4
Salt (including cost of Production)	118,231	127,500	–	–	198	300	–	5
Stamps	*43,522*	*50,000*	4,023	4,100	3,000	4,000	3,169	6
Excise	1,070	1,900	7,125	7,800	2,126	2,200	449	7
Provincial Rates	–	–	–	–	4,238	4,300	368	8
Customs	–	–	–	–	16,999	16,700	–	9
Assessed Taxes	56	–	51	100	–	1,800	231	10
Forest	29,156	29,400	55,240	72,100	115,375	201,800	21,884	11
Registration	636	600	4,245	4,400	1,435	1,600	2,179	12
TOTAL	467,740	486,600	232,026	251,200	449,310	544,700	128,332	13
INTEREST:								
Interest on Debt,* other than that charged to Railways and Irrigation Works.	269,826	309,500	453	1,300	–	2,000	22	14
Interest on other Obligations	319,323	366,400	487	200	258	300	4	15
TOTAL	589,149	675,900	940	1,500	258	2,300	26	16
POST OFFICE, TELEGRAPH, AND MINT:								
Post Office	73,719	1,108,300	44,888	5,800	53,783	12,000	35,230	17
Telegraph	604,849	571,200	–	–	–	–	–	18
Mint	50,442	44,300	–	–	–	–	–	19
TOTAL	728,010	1,723,800	44,888	5,800	53,783	12,000	35,230	20
SALARIES AND EXPENSES OF CIVIL DEPARTMENTS:								
General Administration	421,424	417,700	46,581	45,000	95,827	98,600	24,834	21
Law and Justice:								
Courts of Law	24,213	21,600	73,747	74,100	170,790	181,300	51,567	22
Jails	135,285	136,900	51,398	54,300	88,116	105,700	9,762	23
Police	55,119	59,700	133,406	135,900	1,038,947	1,117,700	96,209	24
Marine (including River Navigation)	333,421	286,000	–	–	31,473	28,800	6,738	25
Education	18,426	17,900	64,949	64,300	45,344	44,500	32,057	26
Ecclesiastical	15,988	13,800	4,739	4,800	7,474	6,800	1,610	27
Medical	21,760	19,900	31,310	31,200	42,595	37,400	18,499	28
Political	437,048	520,500	1,072	1,100	17,729	18,100	5,611	29
Scientific and other Minor Departments	276,729	240,100	4,920	5,500	3,898	4,800	4,935	30
TOTAL	1,739,413	1,734,100	412,122	416,200	1,542,193	1,643,700	251,822	31
MISCELLANEOUS CIVIL CHARGES:								
Territorial and Political Pensions	122,297	66,200	29,158	28,900	14,623	13,800	1,934	32
Civil Furlough and Absentee Allowances	1,347	7,700	–	–	134	–	–	33
Superannuation Allowances and Pensions	67,973	66,800	17,328	19,600	19,937	21,000	6,727	34
Stationery and Printing	*81,935*	*70,200*	12,450	13,600	27,542	32,800	5,785	35
Miscellaneous	30,366	22,500	6,402	6,000	16,950	98,800	8,820	36
TOTAL	140,648	93,000	65,338	68,100	79,186	166,400	23,266	37
FAMINE RELIEF AND INSURANCE:								
Famine Relief	–	–	335	–	–	–	–	38
Construction of Protective Irrigation Works.	–	–	–	–	–	–	–	39
TOTAL	–	–	335	–	–	–	–	40
Carried forward to page 12	3,665,960	4,713,400	755,649	742,800	2,124,730	2,369,100	438,676	41

* The "Interest on Debt" is distributed as follows:—

Interest on Debt (other than that charged to Railways and Irrigation Works) as above.	269,826	309,500	453	1,300	–	2,000	22	
Under Railway Revenue Account	2,120,328	2,211,300	–	–	109,476	111,400	–	
Under Irrigation	513,608	532,900	–	–	–	–	–	
TOTAL	2,903,762	3,053,700	453	1,300	109,476	113,400	22	

and Local) in each of the PROVINCES of *British India*, and in *England*, for 1888-89, RESULTS of 1887-88.

	ASSAM.		BENGAL.		NORTH WESTERN PROVINCES and OUDH.		CARRIED FORWARD.		HEADS OF EXPENDITURE.
	1888-89.	1887-88.	1888-89.	1887-88.	1888-89.	1887-88.	1888-89.	
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	
								DIRECT DEMANDS ON THE REVENUES:
1	1,400	59,794	75,000	17,340	18,000	113,764	127,600	Refunds and Drawbacks.
2	3,800	30,089	27,700	24,964	24,000	370,459	371,000	Assignments and Compensations.
								Charges in respect of Collection, viz.:
3	94,800	340,597	350,700	785,184	770,000	1,701,876	1,717,400	Land Revenue.
4	–	2,419,445	2,643,400	–	–	2,420,760	2,644,700	Opium (including cost of Production).
5	–	1,237	2,200	–	–	119,666	130,000	Salt (including cost of Production).
6	3,500	48,562	47,400	17,408	18,000	32,640	27,000	Stamps.
7	500	42,652	44,800	11,290	11,400	64,712	68,600	Excise.
8	400	35,283	33,500	675	700	40,564	33,900	Provincial Rates.
9	–	53,064	53,000	–	–	70,063	69,700	Customs.
10	100	15,152	15,700	1,837	1,800	17,327	19,500	Assessed Taxes.
11	21,800	33,972	38,900	82,866	87,000	343,493	451,000	Forest.
12	2,200	57,846	58,500	19,329	19,200	85,670	86,500	Registration.
13	128,500	3,142,693	3,390,800	960,893	950,100	5,380,994	5,751,900	- - - TOTAL.
								INTEREST:
14	100	661	5,400	731	8,800	271,693	327,100	Interest on Debt,* other than that charged to Railways and Irrigation Works.
15	–	11,517	12,200	853	800	332,442	379,900	Interest on other Obligations.
16	100	12,178	17,600	1,584	9,600	604,135	707,000	- - - TOTAL.
								POST OFFICE, TELEGRAPH, AND MINT:
17	3,600	417,207	35,600	142,553	18,000	767,380	1,183,300	Post Office.
18	–	91	100	–	–	604,940	571,300	Telegraph.
19	–	–	–	–	–	50,442	44,300	Mint.
20	3,600	417,298	35,700	142,553	18,000	1,422,762	1,798,900	- - - TOTAL.
								SALARIES AND EXPENSES OF CIVIL DEPARTMENTS:
21	24,900	199,361	209,100	157,166	158,000	945,193	953,300	General Administration.
								Law and Justice:
22	52,800	794,039	806,000	421,617	422,200	1,535,973	1,558,000	Courts of Law.
23	10,000	153,109	176,000	106,642	113,200	544,342	596,100	Jails.
24	97,600	483,151	489,000	627,677	631,400	2,434,509	2,531,300	Police.
25	10,300	91,660	102,100	–	–	463,292	427,200	Marine (including River Navigation).
26	32,300	352,074	351,300	178,115	177,500	690,965	687,800	Education.
27	1,600	18,248	18,000	23,186	24,000	71,245	69,000	Ecclesiastical.
28	19,900	145,306	149,600	104,612	106,000	364,082	364,000	Medical.
29	4,900	5,728	7,000	13,001	12,200	480,189	563,800	Political.
30	4,700	33,283	35,000	19,593	19,200	343,358	309,300	Scientific and other Minor Departments.
31	259,000	2,275,959	2,343,100	1,651,609	1,663,700	7,873,118	8,059,800	- - - TOTAL.
								MISCELLANEOUS CIVIL CHARGES:
32	1,900	93,043	93,000	86,888	83,000	349,943	286,300	Territorial and Political Pensions.
33	–	561	700	251	–	2,293	8,400	Civil Furlough and Absentee Allowances.
34	6,600	129,317	137,100	141,269	148,000	382,551	399,100	Superannuation Allowances and Pensions.
35	6,400	203,298	206,000	49,425	53,200	217,165	241,800	Stationery and Printing.
36	6,000	42,748	30,000	19,790	20,600	125,076	183,900	Miscellaneous.
37	20,900	470,967	466,800	297,623	304,800	1,077,028	1,120,000	- - - TOTAL.
								FAMINE RELIEF AND INSURANCE:
38	–	–	10,000	–	–	335	10,000	Famine Relief.
39	–	–	–	7,571	4,100	7,571	4,100	Construction of Protective Irrigation Works.
40	–	–	10,000	7,571	4,100	7,906	14,100	- - - TOTAL.
41	412,100	6,319,095	6,264,000	3,061,833	2,950,300	16,365,943	17,451,700	- - - Carried forward to page 13.

* The "Interest on Debt" is distributed as follows :—

100	661	5,400	731	8,800	271,693	327,100	Interest on Debt (other than that charged to Railways and Irrigation Works) as above.
–	308,170	326,300	–	–	2,537,974	2,649,000	Under Railway Revenue Account.
–	231,345	234,100	272,589	274,400	1,017,542	1,041,400	Under Irrigation.
100	540,176	565,800	273,320	283,200	3,827,209	4,017,500	- - TOTAL.

No. 3.—ACCOUNT showing the Estimated Expenditure (Imperial, Provincial, and Local) in each of the

HEADS OF EXPENDITURE.	BROUGHT FORWARD.		PUNJAB.		MADRAS.		BOMBAY.		
	1887–88.	1888–89.	1887–88.	1888–89.	1887–88.	1888–89.	1887–88.	1888–89.	
DIRECT DEMANDS ON THE REVENUES:	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	
Refunds and Drawbacks	113,764	127,600	10,317	10,500	32,507	27,600	67,394	63,000	1
Assignments and Compensations	370,459	371,000	18,322	17,900	112,155	116,100	968,027	974,800	2
Charges in respect of Collection, viz.:									
Land Revenue	1,701,876	1,717,400	339,731	361,100	786,322	787,400	658,567	672,000	3
Opium (including cost of Production)	2,420,760	2,644,700	–	–	–	–	2,478	2,600	4
Salt (including cost of Production)	119,666	130,000	–	–	132,744	150,000	158,216	141,800	5
Stamps	32,640	27,000	17,474	19,500	15,409	16,100	20,720	21,700	6
Excise	64,712	68,600	5,619	5,800	26,942	30,000	29,798	33,200	7
Provincial Rates	40,564	38,900	16,799	18,100	–	–	4,775	5,000	8
Customs	70,063	69,700	–	–	16,121	16,300	48,679	48,700	9
Assessed Taxes	17,327	19,500	1,403	2,000	3,349	1,700	6,600	5,200	10
Forest	343,493	451,900	67,583	61,900	112,653	122,500	193,568	171,400	11
Registration	85,670	86,500	10,991	11,500	62,126	65,200	28,473	28,500	12
TOTAL	5,380,994	5,751,900	488,239	508,300	1,300,328	1,332,900	2,187,295	2,167,900	13
INTEREST:									
Interest on Debt,* other than that charged to Railways and Irrigation Works.	271,693	327,100	1,051	18,500	1,100	4,300	1,597	14,800	14
Interest on other Obligations	332,442	379,900	4,039	4,700	6,021	6,200	44,082	45,200	15
TOTAL	604,135	707,000	5,090	23,200	7,121	10,500	45,679	60,000	16
POST OFFICE, TELEGRAPH, AND MINT:									
Post Office	767,380	1,183,300	139,206	13,000	123,406	10,500	181,970	10,700	17
Telegraph	604,940	571,300	–	–	–	–	382	400	18
Mint	50,442	44,300	–	–	–	–	36,897	43,000	19
TOTAL	1,422,762	1,798,900	139,206	13,000	123,406	10,500	219,249	54,100	20
SALARIES AND EXPENSES OF CIVIL DEPARTMENTS:									
General Administration	945,193	953,300	122,541	118,600	143,973	148,200	177,814	175,200	21
Law and Justice:									
Courts of Law	1,535,973	1,558,000	278,975	286,000	398,920	404,500	436,540	437,000	22
Jails	544,312	596,100	86,927	92,000	86,282	83,000	54,351	58,700	23
Police	2,434,509	2,531,300	337,963	335,700	382,026	384,000	539,123	519,700	24
Marine (including River Navigation)	463,292	427,200	–	–	2,674	1,900	2,573	4,300	25
Education	690,965	687,800	119,706	124,400	192,299	195,400	287,955	300,000	26
Ecclesiastical	71,245	69,000	23,000	24,400	33,045	32,700	31,051	31,900	27
Medical	364,082	364,000	78,547	82,500	166,052	163,900	146,538	146,200	28
Political	480,189	563,800	68,890	68,000	9,053	8,200	83,064	82,900	29
Scientific and other Minor Departments	343,358	309,300	19,874	23,000	36,365	41,000	22,461	21,200	30
TOTAL	7,873,118	8,059,800	1,136,423	1,154,600	1,450,689	1,462,800	1,781,470	1,777,100	31
MISCELLANEOUS CIVIL CHARGES:									
Territorial and Political Pensions	349,943	286,800	42,076	40,000	103,658	99,000	77,169	84,000	32
Civil Furlough and Absentee Allowances	2,293	8,400	–	–	51	100	253	200	33
Superannuation Allowances and Pensions	382,551	399,100	68,944	73,000	120,121	128,200	146,091	147,400	34
Stationery and Printing	217,165	241,800	42,885	42,600	119,341	94,400	70,931	77,100	35
Miscellaneous	125,076	183,900	17,231	12,500	76,134	79,800	27,816	57,000	36
TOTAL	1,077,028	1,120,000	171,136	168,100	419,305	401,500	322,260	365,700	37
FAMINE RELIEF AND INSURANCE:									
Famine Relief	335	10,000	–	–	67	200	–	–	38
Construction of Protective Irrigation Works.	7,571	4,100	8,207	5,400	32,957	26,700	42,271	36,500	39
TOTAL	7,906	14,100	8,207	5,400	33,024	26,900	42,271	36,500	40
Carried forward to page 14	16,365,943	17,451,700	1,948,301	1,872,600	3,333,873	3,245,100	4,598,224	4,461,300	41

* The "Interest on Debt" is distributed as follows:—

Interest on Debt (other than that charged to Railways and Irrigation Works) as above.	271,693	327,100	1,051	18,500	1,100	4,300	1,597	14,800	
Under Railway Revenue Account	2,537,974	2,649,000	19,812	19,800	–	–	–	–	
Under Irrigation	1,017,542	1,041,400	–	–	–	–	–	–	
TOTAL	3,827,209	4,017,500	20,863	38,300	1,100	4,300	1,597	14,800	

Provinces of *British India*, and in *England*, for 1888-89, compared with the Results of 1887–88 —*continued.*

	Total, India.		England.		Exchange.†		Grand Total.		Heads of Expenditure.
	1887–88.	1888–89.	1887–88.	1888–89.	1887–88.	1888–89.	1887–88.	1888–89.	
	Rx.	Rx.	£.	£.	Rx.	Rx.	Rx.	Rx.	Direct Demands on the Revenues:
1	223,982	228,700	–	–	–	–	223,982	228,700	Refunds and Drawbacks.
2	1,468,963	1,479,800	–	–	–	–	1,468,963	1,479,800	Assignments and Compensations.
									Charges in respect of Collection, viz.:
3	3,486,496	3,537,900	133	584	56	272	3,486,685	3,538,756	Land Revenue.
4	2,423,238	2,647,300	941	773	396	360	2,424,575	2,648,433	Opium (including cost of Production).
5	410,626	421,800	55	260	23	121	410,704	422,181	Salt (including cost of Production).
6	86,243	84,300	54,338	47,265	22,833	21,992	163,414	153,557	Stamps.
7	127,071	137,600	5	123	2	57	127,078	137,780	Excise.
8	62,138	62,000	–	–	–	–	62,138	62,000	Provincial Rates.
9	134,863	134,700	20	121	8	56	134,891	134,877	Customs.
10	28,679	28,400	–	–	–	–	28,679	28,400	Assessed Taxes.
11	717,297	806,800	1,758	2,392	739	1,113	719,794	810,305	Forest.
12	187,260	191,700	–	–	–	–	187,260	191,700	Registration.
13	9,356,856	9,761,000	57,250	51,518	24,057	23,971	9,438,163	9,836,489	- - - Total.
									Interest:
14	275,441	364,700	3,365,222	2,662,056	1,414,099	1,238,609	5,054,762	4,265,365	Interest on Debt,* other than that charged to Railways and Irrigation Works.
15	386,584	436,000	287	275	121	128	386,992	436,403	Interest on other Obligations.
16	662,025	800,700	3,365,509	2,662,331	1,414,220	1,238,737	5,441,754	4,701,768	- - - Total.
									Post Office, Telegraph, and Mint:
17	1,211,962	1,217,500	114,940	85,146	48,299	39,617	1,375,201	1,342,263	Post Office.
18	605,322	571,700	127,661	98,330	53,644	45,751	786,627	715,781	Telegraph.
19	87,339	87,300	4,691	7,404	1,971	3,445	94,001	98,149	Mint.
20	1,904,623	1,876,500	247,292	190,880	103,914	88,813	2,255,829	2,156,193	- - - Total.
									Salaries and Expenses of Civil Departments:
21	1,389,521	1,395,300	267,858	241,354	112,556	112,298	1,769,935	1,748,952	General Administration.
									Law and Justice:
22	2,650,408	2,685,500	453	641	190	298	2,651,051	2,686,439	Courts of Law.
23	771,872	829,800	–	–	–	–	771,872	829,800	Jails.
24	3,693,621	3,770,700	–	–	–	–	3,693,621	3,770,700	Police.
25	468,539	433,400	142,448	102,374	59,858	47,633	670,845	583,407	Marine (including River Navigation).
26	1,290,925	1,307,600	624	1,120	262	521	1,291,811	1,309,241	Education.
27	158,341	158,000	550	545	231	254	159,122	158,799	Ecclesiastical.
28	755,219	756,600	6,848	6,813	2,878	3,170	764,945	766,583	Medical.
29	641,196	722,900	30,604	29,772	12,860	13,852	684,660	766,524	Political.
30	422,058	394,500	18,620	18,838	7,824	8,765	448,502	422,103	Scientific and other Minor Departments.
31	12,241,700	12,454,300	468,005	401,457	196,659	186,791	12,906,364	13,042,548	- - - Total.
									Miscellaneous Civil Charges:
32	572,846	509,800	15,749	18,257	6,618	8,495	595,213	536,552	Territorial and Political Pensions.
33	2,597	8,700	215,560	216,503	90,580	100,735	308,737	325,938	Civil Furlough and Absentee Allowances.
34	717,707	747,700	1,597,940	1,612,165	671,470	750,113	2,987,117	3,109,978	Superannuation Allowances and Pensions.
35	450,322	455,900	89,317	53,535	37,532	24,909	577,171	534,344	Stationery and Printing.
36	246,257	333,200	32,837	35,157	13,798	16,358	292,892	384,715	Miscellaneous.
37	1,989,729	2,055,300	1,951,403	1,935,617	819,998	900,610	4,761,130	4,891,527	- - - Total.
									Famine Relief and Insurance:
38	402	10,200	–	–	–	–	402	10,200	Famine Relief.
39	91,006	72,700	–	–	–	–	91,006	72,700	Construction of Protective Irrigation Works.
40	91,408	82,900	–	–	–	–	91,408	82,900	- - - Total.
41	26,246,341	27,030,700	6,089,459	5,241,803	2,558,848	2,438,922	34,894,648	34,711,425	- - - Carried forward to page 15.

* The "Interest on Debt" is distributed as follows:—

	275,441	364,700	3,365,222	2,662,056	1,414,099	1,238,609	5,054,762	4,265,365
	2,557,786	2,668,800	552,080	631,812	231,990	293,971	3,341,856	3,594,583
	1,017,542	1,041,400	–	–	–	–	1,017,542	1,041,400
	3,850,769	4,074,900	3,917,302	3,293,868	1,646,089	1,532,580	9,414,160	8,901,348

Interest on Debt (other than that charged to Railways and Irrigation Works) as above.
Under Railway Revenue Account.
Under Irrigation.
- - - Total.

† *See* foot-note to Statement, No. 2, p. 7.

No. 3.—ACCOUNT showing the Estimated Expenditure (Imperial, Provincial, and Local) in each of the

HEADS OF EXPENDITURE.	INDIA, GENERAL.		CENTRAL PROVINCES.		BURMA.		ASSAM.	
	1887–88.	1888–89.	1887–88.	1888–89.	1887–88.	1888–89.	1887–88.	
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	
Brought forward from page 8	3,665,960	4,713,400	755,649	742,800	2,124,730	2,369,100	438,676	1
CONSTRUCTION OF RAILWAYS (charged against Revenue in addition to that under Famine Insurance).	–	–	–	–	–	–	15,770	2
RAILWAY REVENUE ACCOUNT:								
State Railways:								
Working Expenses	2,595,513	2,672,800	167,023	191,300	175,841	220,000	10,157	3
Interest on Debt	2,120,328	2,211,300	–	–	109,476	111,400	–	4
Annuities in Purchase of Railways	–	–	–	–	–	–	–	5
Interest on Capital deposited by Companies.	–	–	–	19,400	–	–	–	6
Guaranteed Companies:								
Surplus Profits, Land, and Supervision	641,975	491,500	2,011	9,000	–	–	–	7
Interest	25,595	7,200	–	–	–	–	–	8
Subsidized Companies:								
Land, &c.	–	–	–	–	–	–	10,611	9
Miscellaneous Railway Expenditure	36,302	37,100	*—4,541*	600	–	5,800	335	10
TOTAL	5,419,713	5,419,900	164,493	220,300	285,317	337,200	21,103	11
IRRIGATION:								
Major Works:								
Working Expenses	–	–	–	–	–	–	–	12
Interest on Debt	513,608	532,900	–	–	–	–	–	13
Minor Works and Navigation	56,785	54,200	–	–	48,880	78,000	–	14
TOTAL	570,393	587,100	–	–	48,880	78,000	–	15
BUILDINGS AND ROADS:								
Military Works	681,496	609,500	7,663	16,000	340,486	203,700	15,228	16
Civil Works	266,500	159,900	154,009	159,200	493,360	476,400	151,391	17
TOTAL	947,996	769,400	161,672	175,200	833,846	680,100	166,619	18
ARMY SERVICES:								
Army:								
Effective	7,901,257	8,340,200	–	–	–	–	–	19
Non-effective	408,296	423,100	–	–	–	–	–	20
TOTAL	8,309,553	8,763,300	–	–	–	–	–	21
SPECIAL DEFENCE WORKS	292,233	450,000	–	–	14,439	–	–	22
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL	19,205,848	20,703,100	1,081,814	1,138,300	3,307,212	3,464,400	642,168	23
Add,—Portion of Allotments to Provincial Governments not spent by them in the year.	691	–	10,226	2,700	85,596	–	6,494	24
Deduct,—Portion of Provincial Expenditure defrayed from Provincial Balances.	–	*—400*	–	–	–	*—400*	–	25
TOTAL EXPENDITURE CHARGED AGAINST REVENUE	19,206,539	20,702,700	1,092,040	1,141,000	3,392,808	3,464,000	648,662	26
EXPENDITURE NOT CHARGED TO REVENUE:								
Capital Outlay on Railways and Irrigation Works:								
State Railways	51,435	*—1,020,100*	*—1,388,623*	*—488,700*	675,229	554,600	–	27
Irrigation Works	–	–	–	–	–	–	–	28
	51,435	*—1,020,100*	*—1,388,623*	*—488,700*	675,229	554,600	–	29
Capital Charge involved in Redemption of Liabilities, &c.	–	–	–	–	–	–	–	30

Provinces of *British India*, and in *England*, for 1888-89, compared with the Results of 1887-88—*contd.*

	ASSAM.	BENGAL.		NORTH WESTERN PROVINCES and OUDH.		CARRIED FORWARD.		HEADS OF EXPENDITURE.
	1888-89.	1887-88.	1888-89.	1887-88.	1888-89.	1887-88.	1888-89.	
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	
1	412,100	6,319,095	6,264,000	3,061,833	2,950,300	16,365,943	17,451,700	- - - Brought forward from page 9.
2	5,000	*—185*	*—1,000*	65,360	14,000	80,945	18,000	CONSTRUCTION OF RAILWAYS (charged against Revenue in addition to that under Famine Insurance).
								RAILWAY REVENUE ACCOUNT:
3	7,900	685,711	669,400	44,176	160,000	3,678,421	3,921,400	State Railways: Working Expenses.
4	–	308,170	326,300	–	–	2,537,974	2,649,000	Interest on Debt.
5	–	–	–	–	–	–	–	Annuities in Purchase of Railways.
6	–	–	–	–	–	–	19,400	Interest on Capital deposited by Companies.
7	–	12,570	12,000	13,598	10,600	670,154	523,100	Guaranteed Companies: Surplus Profits, Land, and Supervision.
8	–	–	–	–	–	25,595	7,200	Interest.
9	10,500	29,016	14,500	4,000	4,000	43,627	29,000	Subsidized Companies: Land, &c.
10	–	9,117	19,200	92	–	41,305	62,700	Miscellaneous Railway Expenditure.
11	18,400	1,044,584	1,041,400	61,866	174,600	6,997,076	7,211,800	- - - TOTAL.
								IRRIGATION:
12	–	150,359	142,600	226,736	247,800	377,095	390,400	Major Works: Working Expenses.
13	–	231,345	234,100	272,589	274,400	1,017,542	1,041,400	Interest on Debt.
14	–	152,044	155,000	18,692	17,800	276,401	305,000	Minor Works and Navigation.
15	–	533,748	531,700	518,017	540,000	1,671,038	1,736,800	- - - TOTAL.
								BUILDINGS AND ROADS:
16	23,900	2,349	5,600	12,525	7,000	1,059,747	863,700	Military Works.
17	142,700	707,098	773,000	555,927	531,800	2,328,285	2,243,000	Civil Works.
18	166,600	709,447	776,600	568,452	538,800	3,388,032	3,106,700	- - - TOTAL.
								ARMY SERVICES:
19	–	–	–	–	–	7,901,257	8,340,200	Army: Effective.
20	–	–	–	–	–	408,296	423,100	Non-effective.
21	–	–	–	–	–	8,309,553	8,763,300	- - - TOTAL.
22	–	–	–	–	–	306,672	450,000	SPECIAL DEFENCE WORKS.
23	602,100	8,606,689	8,612,700	4,275,528	4,217,700	37,119,259	38,738,300	TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL.
24	35,000	135,493	–	–	41,300	238,500	79,000	*Add*,—Portion of Allotments to Provincial Governments not spent by them in the year.
25	–	–	*—25,300*	*—53,094*	–	*—53,094*	*—26,100*	*Deduct*,—Portion of Provincial Expenditure defrayed from Provincial Balances.
26	637,100	8,742,182	8,587,400	4,222,434	4,259,000	37,304,665	38,791,200	TOTAL EXPENDITURE CHARGED AGAINST REVENUE.
								EXPENDITURE NOT CHARGED TO REVENUE: Capital Outlay on Railways and Irrigation Works:
27	–	323,318	298,300	*—8,113*	74,700	*—346,754*	*—581,200*	State Railways.
28	–	51,682	77,800	145,172	115,100	196,854	192,900	Irrigation Works.
29	–	375,000	376,100	137,059	189,800	*—149,900*	*—388,300*	
30	–	–	–	–	–	–	–	Capital Charge involved in Redemption of Liabilities, &c.

No. 3.—ACCOUNT showing the Estimated Expenditure (Imperial, Provincial, and Local) in each of the

HEADS OF EXPENDITURE.	BROUGHT FORWARD.		PUNJAB.		MADRAS.		BOMBAY.		
	1887–88.	1888–89.	1887–88.	1888–89.	1887–88.	1888–89.	1887–88.	1888–89.	
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	
Brought forward from page 10	16,365,943	17,451,700	1,948,301	1,872,600	3,333,873	3,245,100	4,598,224	4,461,300	1
CONSTRUCTION OF RAILWAYS (charged against Revenue in addition to that under Famine Insurance).	80,945	18,000	–	–	–	–	–	–	2
RAILWAY REVENUE ACCOUNT:									
State Railways:									
Working Expenses	3,678,421	3,921,400	1,633,529	1,755,000	60,099	74,500	222,138	292,500	3
Interest on Debt	2,537,974	2,649,000	19,812	19,800	–	–	–	–	4
Annuities in purchase of Railways	–	–	–	–	–	–	–	–	5
Interest on Capital deposited by Companies.	–	19,400	–	–	–	–	378	–	6
Guaranteed Companies:									
Surplus Profits, Land, and Supervision	670,154	523,100	–	–	22,446	14,000	21,457	32,000	7
Interest	25,595	7,200	–	–	–	–	–	–	8
Subsidized Companies:									
Land, &c.	43,627	29,000	–	–	–	–	–	–	9
Miscellaneous Railway Expenditure	41,305	62,700	8,668	11,600	23	–	1,851	700	10
TOTAL	6,997,076	7,211,800	1,662,009	1,786,400	82,568	88,500	245,824	325,200	11
IRRIGATION:									
Major Works:									
Working Expenses	377,095	390,400	161,237	187,400	106,597	107,600	32,678	34,000	12
Interest on Debt	1,017,542	1,041,400	–	–	–	–	–	–	13
Minor Works and Navigation	276,401	305,000	65,794	69,800	254,507	330,000	169,762	164,600	14
TOTAL	1,671,038	1,736,800	227,031	257,200	361,104	437,600	202,440	198,600	15
BUILDINGS AND ROADS:									
Military Works	1,059,747	863,700	27,934	37,400	52,831	62,700	82,251	136,700	16
Civil Works	2,328,285	2,243,000	508,717	563,800	602,554	636,400	647,547	623,900	17
TOTAL	3,388,032	3,106,700	536,651	601,200	655,385	699,100	729,798	760,600	18
ARMY SERVICES:									
Army:									
Effective	7,901,257	8,340,200	–	–	3,895,917	3,167,700	2,446,802	2,451,000	19
Non-effective	408,296	423,100	–	–	305,537	308,600	147,099	149,400	20
TOTAL	8,309,553	8,763,300	–	–	4,201,454	3,476,300	2,593,901	2,600,400	21
SPECIAL DEFENCE WORKS	306,672	450,000	–	–	–	–	64,465	–	22
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL	37,119,259	38,738,300	4,373,992	4,517,400	8,634,384	7,946,600	8,434,652	8,346,100	23
Add,—Portion of Allotments to Provincial Governments not spent by them in the year.	238,500	79,000	20,100	20,300	148,531	95,400	16,554	34,500	24
Deduct,—Portion of Provincial Expenditure defrayed from Provincial Balances.	*—53,094*	*—26,100*	–	–	–	–	–	–	25
TOTAL EXPENDITURE CHARGED AGAINST REVENUE	37,304,665	38,791,200	4,394,092	4,537,700	8,782,915	8,042,000	8,451,206	8,380,600	26
EXPENDITURE NOT CHARGED TO REVENUE:									
Capital Outlay on Railways and Irrigation Works:									
State Railways	*—346,754*	*—581,200*	620,530	673,000	401,732	115,900	1,217	2,700	27
Irrigation Works	196,854	192,900	195,844	121,400	111,723	157,700	18,801	14,800	28
	—149,900	*—388,300*	816,374	794,400	513,455	273,600	20,018	17,500	29
Capital Charge involved in Redemption of Liabilities, &c.	–	–	–	–	–	–	–	–	30

Calcutta, Comptroller General's Office, 12 April 1889.
India Office, 14 May 1889.

Provinces of *British India*, and in *England*, for 1888-89, compared with the Results of 1887-88—*continued*.

	TOTAL, INDIA.		ENGLAND.		EXCHANGE.*		GRAND TOTAL.		HEADS OF EXPENDITURE.
	1887-88.	1888-89.	1887-88.	1888-89.	1887-88.	1888-89.	1887-88.	1888-89.	
	Rx.	Rx.	£.	£.	Rx.	Rx.	Rx.	Rx.	
1	26,246,341	27,030,700	6,089,459	5,241,803	2,558,848	2,438,922	*31,894,648*	*34,711,425*	- - - *Brought forward from page 11.*
2	80,945	18,000	–	–	–	–	80,945	18,000	CONSTRUCTION of RAILWAYS (charged against Revenue in addition to that under Famine Insurance).
									RAILWAY REVENUE ACCOUNT:
									State Railways:
3	5,594,187	6,043,400	–	–	–	–	5,594,187	6,043,400	Working Expenses.
4	2,557,786	2,668,800	552,080	631,812	231,990	293,971	3,341,856	3,594,583	Interest on Debt.
5	–	–	1,683,456	1,688,558	707,405	785,657	2,390,861	2,474,215	Annuities in purchase of Railways.
6	378	19,400	468,936	634,482	197,051	295,214	666,365	949,096	Interest on Capital deposited by Companies.
									Guaranteed Companies:
7	714,057	569,100	–	–	–	–	714,057	569,100	Surplus Profits, Land, and Supervision.
8	25,595	7,200	2,694,920	2,697,388	1,132,431	1,255,048	3,852,946	3,959,636	Interest.
									Subsidized Companies:
9	43,627	29,000	–	–	–	–	43,627	29,000	Land, &c.
10	51,847	75,000	–	–	–	–	51,847	75,000	Miscellaneous Railway Expenditure.
11	8,987,477	9,411,900	5,399,392	5,652,240	2,268,877	2,629,890	16,655,746	17,694,030	- - - TOTAL.
									IRRIGATION:
									Major Works:
12	677,607	719,400	–	–	–	–	677,607	719,400	Working Expenses.
13	1,017,542	1,041,400	–	–	–	–	1,017,542	1,041,400	Interest on Debt.
14	766,464	869,400	23	376	10	175	766,497	869,951	Minor Works and Navigation.
15	2,461,613	2,630,200	23	376	10	175	2,461,646	2,630,751	- - - TOTAL.
									BUILDINGS AND ROADS:
16	1,222,763	1,100,500	6,546	10,392	2,751	4,835	1,232,060	1,115,727	Military Works.
17	4,087,103	4,067,100	92,864	98,891	39,022	46,012	4,218,989	4,212,003	Civil Works.
18	5,309,866	5,167,600	99,410	109,283	41,773	50,847	5,451,049	5,327,730	- - - TOTAL.
									ARMY SERVICES:
									Army:
19	14,243,976	13,958,900	1,843,046	1,758,013	774,466	817,973	16,861,488	16,534,886	Effective.
20	860,932	881,100	1,897,969	1,989,247	797,545	925,562	3,556,446	3,795,909	Non-effective.
21	15,104,908	14,840,000	3,741,015	3,747,260	1,572,011	1,743,535	20,417,934	20,330,795	- - - TOTAL.
22	371,137	450,000	59,766	233,244	25,114	108,524	456,017	791,768	SPECIAL DEFENCE WORKS.
23	58,562,287	59,548,400	15,389,065	14,984,206	6,466,633	6,971,893	80,417,985	81,504,499	TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL.
24	423,685	229,200	–	–	–	–	423,685	229,200	*Add*,—Portion of Allotments to Provincial Governments not spent by them in the year.
25	*—53,094*	*—26,100*	–	–	–	–	*—53,094*	*—26,100*	*Deduct*,—Portion of Provincial Expenditure defrayed from Provincial Balances.
26	58,932,878	59,751,500	15,389,065	14,984,206	6,466,633	6,971,893	80,788,576	81,707,599	TOTAL EXPENDITURE CHARGED AGAINST REVENUE.
									EXPENDITURE NOT CHARGED TO REVENUE:
									Capital Outlay on Railways and Irrigation Works:
27	676,725	210,400	1,109,027	772,021	466,024	359,208	2,251,776	1,341,629	State Railways.
28	523,222	486,800	6,919	4,358	2,907	2,028	533,048	493,186	Irrigation Works.
29	1,199,947	697,200	1,115,946	776,379	468,931	361,236	2,784,824	1,834,815	
								£.	
30	–	–	–	10,336,049	–	–	–	10,336,049	Capital Charge involved in Redemption of Liabilities, &c.

* *See* foot-note to Statement, No. 2, page 7.

E. Gay, Comptroller General.
Thos. W. Keith, Accountant General.

EAST INDIA (ESTIMATE).

ESTIMATE

OF

REVENUE AND EXPENDITURE

OF THE

GOVERNMENT OF INDIA,

For the Year 1888-89,

COMPARED WITH THE RESULTS OF 1887-88.

(Presented pursuant to Act 21 & 22 Vict. c. 106.)

Ordered, by The House of Commons, *to be Printed,*
15 *May* 1889.

[*Price* 2*d.*]

145. *Under* 2 *oz.*

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EAST INDIA (ESTIMATE).

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India Office,
11 May 1888.

J. A. GODLEY,
Under Secretary of State for India.

(Presented pursuant to Act 21 & 22 Vict. c. 106.)

Ordered, by The House of Commons, *to be Printed,*
14 *May* 1888.

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No. 1.—ABSTRACT ACCOUNT showing the ESTIMATED REVENUE

HEADS OF REVENUE.	1886–87.	ESTIMATE,* 1887–88.
PRINCIPAL HEADS OF REVENUE:	*Rx.*	*Rx.*
Land Revenue	23,055,724	22,982,900
Opium	8,942,976	8,544,200
Salt	6,657,644	6,723,100
Stamps	3,751,280	3,848,100
Excise	4,375,174	4,503,100
Provincial Rates	2,999,861	2,998,700
Customs	1,246,293	1,346,600
Assessed Taxes	1,354,735	1,417,100
Forest	1,103,970	1,141,700
Registration	299,059	310,200
Tributes from Native States	695,415	740,000
TOTAL *Rx.*	54,482,131	54,555,700
INTEREST *Rx.*	670,548	749,203
POST OFFICE, TELEGRAPH, AND MINT:		
Post Office	1,154,307	1,200,800
Telegraph	692,747	769,915
Mint	180,428	216,027
TOTAL *Rx.*	2,027,482	2,186,742
RECEIPTS BY CIVIL DEPARTMENTS:		
Law and Justice:		
Courts of Law	298,688	310,800
Jails	288,508	234,800
Police	315,863	330,500
Marine	200,029	196,500
Education	208,395	213,300
Medical	64,611	59,682
Scientific and other Minor Departments	85,564	74,072
TOTAL *Rx.*	1,461,658	1,419,654
MISCELLANEOUS:		
Receipts in aid of Superannuation, &c.	399,661	399,469
Stationery and Printing	96,816	74,100
Exchange	—	518,900
Miscellaneous	351,797	361,640
TOTAL *Rx.*	848,274	1,354,109
RAILWAYS:		
State Railways (Gross Earnings)	10,829,027	10,851,527
Guaranteed Companies (Net Traffic Receipts)	3,647,116	3,534,000
Subsidized Companies (Repayment of Advances of Interest)	1,616	27,300
TOTAL *Rx.*	14,477,759	14,412,827
IRRIGATION:		
Major Works:		
Direct Receipts	909,824	974,500
Portion of Land Revenue due to Irrigation	597,469	578,400
Minor Works and Navigation	149,412	153,900
TOTAL *Rx.*	1,656,705	1,706,800
BUILDINGS AND ROADS:		
Military Works	188,384	37,700
Civil Works	539,190	528,659
TOTAL *Rx.*	727,574	566,359
RECEIPTS BY MILITARY DEPARTMENT:		
Army:		
Effective	929,138	924,178
Non-effective	55,865	57,119
TOTAL *Rx.*	985,003	981,297
TOTAL REVENUE *Rx.*	77,337,134	77,932,691

* This Estimate contains, as regards the transactions in India, the figures adopted in the Financial Statement, and as regards those in England, the figures made up to 31st March, shown in the Home Accounts.

and EXPENDITURE for 1887–88, compared with the RESULTS of 1886–87.

HEADS OF EXPENDITURE.	1886–87.	ESTIMATE,* 1887–88.
DIRECT DEMANDS ON THE REVENUES:	*Rx.*	*Rx.*
Refunds and Drawbacks	214,532	211,700
Assignments and Compensations	1,446,937	1,469,160
Charges in respect of Collection, viz.:		
Land Revenue	3,464,252	3,518,989
Opium (including cost of Production)	2,729,063	2,511,736
Salt (including cost of Production)	436,172	429,378
Stamps	146,814	161,871
Excise	116,730	122,407
Provincial Rates	51,705	64,090
Customs	135,818	136,928
Assessed Taxes	50,158	30,600
Forest	719,765	763,097
Registration	184,845	188,900
TOTAL *Rx.*	9,746,191	9,608,706
INTEREST:		
Interest on Debt, other than that charged to Railways and Irrigation Works	3,948,996	5,121,321
Interest on other Obligations	361,407	397,408
TOTAL *Rx.*	4,310,403	5,518,729
POST OFFICE, TELEGRAPH, AND MINT:		
Post Office	1,350,292	1,375,239
Telegraph	714,464	772,307
Mint	80,506	97,662
TOTAL *Rx.*	2,145,262	2,245,208
SALARIES AND EXPENSES OF CIVIL DEPARTMENTS:		
General Administration	1,733,875	1,774,332
Law and Justice:		
Courts of Law	2,627,230	2,655,443
Jails	769,223	748,700
Police	3,285,097	3,726,960
Marine (including River Navigation)	848,124	643,406
Education	1,305,337	1,281,886
Ecclesiastical	158,989	160,387
Medical	756,685	764,326
Political	754,814	691,064
Scientific and other Minor Departments	459,142	437,030
TOTAL *Rx.*	12,698,516	12,883,468
MISCELLANEOUS CIVIL CHARGES:		
Territorial and Political Pensions	647,888	608,867
Civil Furlough and Absentee Allowances	260,132	309,340
Superannuation Allowances and Pensions	2,361,065	2,983,968
Stationery and Printing	562,030	573,247
Exchange	26,302	—
Miscellaneous	343,840	294,842
TOTAL *Rx.*	4,701,057	4,770,266
FAMINE RELIEF AND INSURANCE:		
Famine Relief	1,941	800
Construction of Protective Railways	200,000	—
Construction of Protective Irrigation Works	107,979	92,500
TOTAL *Rx.*	309,920	93,300
CONSTRUCTION OF RAILWAYS (CHARGED AGAINST REVENUE IN ADDITION TO THAT UNDER FAMINE INSURANCE) *Rx.*	183,977	81,700
RAILWAY REVENUE ACCOUNT:		
State Railways:—Working Expenses	5,219,889	5,460,700
Interest on Debt	3,202,368	3,371,269
Annuities in purchase of Railways	2,308,625	2,390,860
Interest on Capital deposited by Companies	473,206	666,387
Guaranteed Companies:—Surplus Profits, Land, and Supervision	600,833	721,000
Interest	3,721,864	3,857,252
Subsidized Companies:—Land, &c.	45,243	47,000
Miscellaneous Railway Expenditure	94,399	53,400
TOTAL *Rx.*	15,666,427	16,567,868
IRRIGATION:		
Major Works:—Working Expenses	626,773	682,700
Interest on Debt	992,591	1,019,200
Minor Works and Navigation	691,290	782,433
TOTAL *Rx.*	2,310,654	2,484,333
BUILDINGS AND ROADS:		
Military Works	1,061,638	1,282,073
Civil Works	4,140,129	4,313,988
TOTAL *Rx.*	5,201,767	5,596,061
ARMY SERVICES:		
Army:—Effective	16,229,677	16,818,550
Non-effective	3,295,365	3,560,613
TOTAL *Rx.*	19,525,042	20,379,163
SPECIAL DEFENCE WORKS *Rx.*	325,626	571,981
TOTAL EXPENDITURE (IMPERIAL AND PROVINCIAL) *Rx.*	77,123,042	80,800,783

	1886–87.	1887–88.		
	Rx.	*Rx.*		
Add,—Portion of Allotments to Provincial Governments not spent by them in the Year	316,482	293,700	35,665	27,700
Deduct,—Portion of Provincial Expenditure defrayed from Provincial Balances	—280,817	—266,000		
TOTAL EXPENDITURE CHARGED AGAINST REVENUE *Rx.*			77,158,707	80,828,483
EXPENDITURE NOT CHARGED TO REVENUE:				
Capital Outlay on Railways and Irrigation Works:				
State Railways			5,123,105	2,330,254
Irrigation Works			547,379	602,726
Rx.			5,670,484	2,932,980
			£.	*£.*
Capital Charge involved in Redemption of Liabilities *£.*			4,914,546	—

ESTIMATE, 1887–88.	*Rx.*
Revenue	77,932,691
Expenditure chargeable thereon	80,828,483
Excess of Expenditure over Revenue	2,895,792

No. 2.—ACCOUNT showing the ESTIMATED REVENUE (Imperial, Provincial, compared with the

HEADS OF REVENUE.	INDIA, GENERAL.		CENTRAL PROVINCES.		BURMA.		ASSAM.	
	1886-87.	1887-88.	1886-87.	1887-88.	1886-87.	1887-88.	1886-87.	
PRINCIPAL HEADS OF REVENUE:	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	
Land Revenue	112,381	125,500	625,674	613,200	1,481,163	1,553,400	430,642	1
Opium	219	200	21,470	20,400	33,273	35,000	41,960	2
Salt	1,595,726	1,600,000	62,231	27,600	32,756	30,500	–	3
Stamps	42,054	44,500	146,907	151,000	92,116	99,100	74,216	4
Excise	73,176	80,000	257,521	235,000	254,374	270,100	219,835	5
Provincial Rates	9,159	8,300	73,301	76,900	102,827	86,000	51,349	6
Customs	–	–	–	–	581,198	585,000	–	7
Assessed Taxes	124,162	192,000	40,346	38,400	16	–	20,505	8
Forest	12,949	16,000	95,741	109,500	210,674	217,800	21,201	9
Registration	1,640	1,700	7,822	8,200	2,885	3,400	3,641	10
Tributes from Native States	219,749	221,200	14,601	13,600	–	5,000	10	11
TOTAL	2,191,215	2,289,400	1,345,614	1,293,800	2,791,282	2,885,300	863,359	12
INTEREST	271,368	280,500	1,291	1,400	3,994	2,700	389	13
POST OFFICE, TELEGRAPH, AND MINT:								
Post Office	78,498	1,196,600	46,158	–	46,270	–	28,168	14
Telegraph	679,179	753,500	–	–	–	–	–	15
Mint	103,214	79,000	–	–	–	–	–	16
TOTAL	860,391	2,029,100	46,158	–	46,270	–	28,168	17
RECEIPTS BY CIVIL DEPARTMENTS:								
Law and Justice:								
Courts of Law	8,411	6,200	12,770	12,000	35,248	42,600	7,629	18
Jails	36,735	19,000	36,649	29,500	19,605	19,700	7,301	19
Police	7,177	7,300	17,436	16,300	21,760	31,800	10,546	20
Marine	83,126	73,800	–	–	20,946	22,500	195	21
Education	1,999	2,200	14,693	15,000	1,933	2,300	4,036	22
Medical	344	400	808	1,000	1,028	1,300	135	23
Scientific and other Minor Departments	23,913	18,700	1,357	1,500	1,093	200	4,696	24
TOTAL	161,705	127,600	83,713	75,300	101,613	120,400	34,538	25
MISCELLANEOUS:								
Receipts in aid of Superannuation, &c.	110,419	109,000	2,710	3,400	2,548	2,800	1,864	26
Stationery and Printing	30,248	8,500	3,613	1,600	1,927	2,000	461	27
Exchange	–	518,900	–	–	–	–	–	28
Miscellaneous	28,907	38,000	8,892	8,000	28,111	27,600	5,063	29
TOTAL	169,574	674,400	15,215	13,000	32,586	32,400	7,388	30
RAILWAYS:								
State Railways (Gross Earnings)	6,437,833	6,360,700	216,701	227,200	291,663	335,000	4,137	31
Guaranteed Companies (Net Traffic Receipts).	3,647,116	3,534,000	–	–	–	–	–	32
Subsidized Companies (Repayment of Advances of Interest).	–	–	–	–	–	–	–	33
TOTAL	10,084,949	9,894,700	216,701	227,200	291,663	335,000	4,137	34
IRRIGATION:								
Major Works: Direct Receipts	–	–	–	–	–	–	–	35
Portion of Land Revenue due to Irrigation.	–	–	–	–	–	–	–	36
Minor Works and Navigation	1,511	1,200	–	–	2,871	3,500	–	37
TOTAL	1,511	1,200	–	–	2,871	3,500	–	38
BUILDINGS AND ROADS:								
Military Works	171,864	21,900	281	300	646	1,400	476	39
Civil Works	9,498	9,900	15,066	16,000	11,346	13,100	12,767	40
TOTAL	181,362	31,800	15,347	16,300	11,992	14,500	13,243	41
RECEIPTS BY MILITARY DEPARTMENT:								
Army: Effective	463,833	495,600	–	–	–	–	–	42
Non-Effective	23,410	23,000	–	–	–	–	–	43
TOTAL	487,243	518,600	–	–	–	–	–	44
TOTAL REVENUE	14,409,818	15,847,300	1,724,039	1,627,000	3,282,271	3,393,800	951,222	45

and Local) in each of the PROVINCES of *British India*, and in *England*, for 1887-88, RESULTS of 1886-87.

	ASSAM.	BENGAL.		NORTH WESTERN PROVINCES and OUDH.		CARRIED FORWARD.		HEADS OF REVENUE.
	1887-88.	1886-87.	1887-88.	1886-87.	1887-88.	1886-87.	1887-88.	
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	PRINCIPAL HEADS OF REVENUE:
1	424,100	3,877,486	3,820,000	5,762,997	5,710,000	12,290,343	12,246,200	Land Revenue.
2	41,100	6,212,405	6,100,000	43,732	42,500	6,353,059	6,239,200	Opium.
3	–	1,958,722	1,940,000	–	–	3,649,435	3,598,100	Salt.
4	73,000	1,346,318	1,387,500	636,846	650,000	2,338,457	2,405,100	Stamps.
5	212,500	1,012,583	1,097,500	577,819	565,000	2,395,308	2,460,100	Excise.
6	47,500	803,613	817,500	668,606	666,000	1,708,855	1,702,200	Provincial Rates.
7	–	315,502	358,000	–	–	896,700	943,000	Customs.
8	21,700	364,457	370,000	222,068	216,000	771,554	838,100	Assessed Taxes.
9	25,000	65,363	70,000	157,356	144,000	563,284	582,300	Forest.
10	3,200	103,844	102,000	34,465	37,000	154,297	155,500	Registration.
11	–	–	–	–	–	234,360	239,800	Tributes from Native States.
12	848,100	16,060,293	16,062,500	8,103,889	8,030,500	31,355,652	31,409,600	- - - TOTAL.
13	400	79,644	110,900	19,304	13,900	375,990	409,800	INTEREST.
								POST OFFICE, TELEGRAPH, AND MINT:
14	–	246,795	1,400	161,635	–	607,524	1,198,000	Post Office.
15	–	106	100	–	–	679,285	753,600	Telegraph.
16	–	–	–	–	–	103,214	79,000	Mint.
17	–	246,901	1,500	161,635	–	1,390,023	2,030,600	- - - TOTAL.
								RECEIPTS BY CIVIL DEPARTMENTS:
								Law and Justice:
18	9,000	75,633	76,500	51,399	49,000	191,090	195,300	Courts of Law.
19	6,500	74,461	70,000	49,874	30,000	224,625	174,700	Jails.
20	10,800	70,740	67,000	35,348	34,700	163,007	167,900	Police.
21	200	89,719	92,500	–	–	193,986	189,000	Marine.
22	4,100	52,979	64,000	27,694	17,000	103,334	104,600	Education.
23	100	15,680	14,000	9,941	11,700	27,936	28,500	Medical.
24	5,200	14,854	15,000	10,517	10,500	56,430	51,100	Scientific and other Minor Departments.
25	35,900	394,066	399,000	184,773	152,900	960,408	911,100	- - - TOTAL.
								MISCELLANEOUS:
26	1,600	23,086	22,900	15,550	15,400	156,177	155,100	Receipts in aid of Superannuation, &c.
27	600	22,474	22,000	6,189	6,100	64,912	40,800	Stationery and Printing.
28	–	–	–	–	–	–	518,900	Exchange.
29	5,000	91,726	96,000	41,386	40,000	204,083	214,600	Miscellaneous.
30	7,200	137,286	140,900	63,125	61,500	425,174	929,400	- - - TOTAL.
								RAILWAYS:
31	6,100	1,098,872	1,288,300	155,846	64,800	8,205,052	8,282,100	State Railways (Gross Earnings).
32	–	–	–	–	–	3,647,116	3,534,000	Guaranteed Companies (Net Traffic Receipts).
33	–	–	–	32	–	32	–	Subsidized Companies (Repayment of Advances of Interest).
34	6,100	1,098,872	1,288,300	155,878	64,800	11,852,200	11,816,100	- - - TOTAL.
								IRRIGATION:
35	–	138,663	135,800	459,864	428,900	598,527	564,700	Major Works: Direct Receipts.
36	–	–	–	87,238	87,200	87,238	87,200	Portion of Land Revenue due to Irrigation.
37	–	85,719	92,800	16,131	13,700	106,232	111,200	Minor Works and Navigation.
38	–	224,382	228,600	563,233	529,800	791,997	763,100	- - - TOTAL.
								BUILDINGS AND ROADS:
39	300	746	400	103	100	174,116	24,400	Military Works.
40	12,900	89,044	72,000	97,735	99,600	235,456	223,500	Civil Works.
41	13,200	89,790	72,400	97,838	99,700	409,572	247,900	- - - TOTAL.
								RECEIPTS BY MILITARY DEPARTMENT:
42	–	–	–	–	–	463,833	495,600	Army: Effective.
43	–	–	–	–	–	23,410	23,000	Non-effective.
44	–	–	–	–	–	487,243	518,600	- - - TOTAL.
45	910,900	18,331,234	18,304,100	9,349,675	8,953,100	48,048,259	49,036,200	- - - TOTAL REVENUE.

No. 2.—Account showing the Estimated Revenue (Imperial, Provincial, and Local) in each of the Provinces

HEADS OF REVENUE.	Brought forward.		Punjab.		Madras.		Bombay.		
	1886–87.	1887–88.	1886–87.	1887–88.	1886–87.	1887–88.	1886–87.	1887–88.	
Principal Heads of Revenue:	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	
Land Revenue	12,290,343	12,246,200	2,104,210	2,124,700	4,458,902	4,413,200	4,202,269	4,198,800	1
Opium	6,353,059	6,239,200	3,161	5,000	–	–	2,586,756	2,300,000	2
Salt	3,649,435	3,598,100	–	–	1,425,022	1,420,000	1,583,187	1,705,000	3
Stamps	2,338,457	2,405,100	351,440	365,000	582,068	595,000	479,315	483,000	4
Excise	2,395,308	2,460,100	136,986	139,000	916,658	960,000	926,222	944,000	5
Provincial Rates	1,708,855	1,702,200	373,722	373,000	649,692	655,000	267,592	268,500	6
Customs	896,700	943,000	–	–	125,736	153,600	223,857	250,000	7
Assessed Taxes	771,554	838,100	112,377	99,000	154,345	145,000	316,459	335,000	8
Forest	563,284	582,300	112,727	97,400	124,691	146,200	303,268	315,800	9
Registration	154,297	155,500	19,286	21,200	87,122	91,000	38,354	42,500	10
Tributes from Native States	234,360	239,800	27,948	28,000	344,643	344,600	88,464	127,600	11
Total	31,355,652	31,409,600	3,241,857	3,252,300	8,868,879	8,923,600	11,015,743	10,970,200	12
Interest	375,990	499,800	18,347	20,200	40,734	31,500	178,574	194,000	13
Post Office, Telegraph, and Mint:									
Post Office	607,524	1,198,000	160,099	2,600	186,777	–	199,907	200	14
Telegraph	679,285	753,600	–	–	–	–	310	400	15
Mint	103,214	79,000	–	–	40	–	77,092	137,000	16
Total	1,390,023	2,030,600	160,099	2,600	186,817	–	277,309	137,600	17
Receipts by Civil Departments:									
Law and Justice:									
Courts of Law	191,090	195,300	35,620	39,500	40,144	44,000	31,834	32,000	18
Jails	224,625	174,700	28,217	24,700	15,433	17,000	20,233	18,400	19
Police	163,007	167,900	64,591	70,800	35,440	37,100	52,825	54,700	20
Marine	193,986	189,000	–	–	451	1,400	5,592	6,100	21
Education	103,334	104,600	9,932	10,500	28,341	29,700	66,788	68,500	22
Medical	27,936	28,500	4,432	5,200	15,304	13,100	13,515	9,100	23
Scientific and other Minor Departments	56,430	51,100	9,816	9,800	14,709	8,800	3,783	3,500	24
Total	960,408	911,100	152,608	160,500	149,822	151,100	194,570	192,300	25
Miscellaneous:									
Receipts in aid of Superannuation, &c.	156,177	155,100	12,340	12,000	41,872	36,500	47,855	48,000	26
Stationery and Printing	64,912	40,300	16,974	17,300	9,266	9,700	5,664	5,800	27
Exchange	–	518,900	–	–	–	–	–	–	28
Miscellaneous	204,085	214,600	31,297	24,500	57,838	65,000	49,119	45,000	29
Total	425,174	929,400	60,611	54,300	108,976	111,200	102,638	98,800	30
Railways:									
State Railways (Gross Earnings)	8,205,052	8,282,100	2,380,565	2,167,300	37,401	60,800	205,693	341,000	31
Guaranteed Companies (Net Traffic Receipts).	3,647,116	3,534,000	–	–	–	–	–	–	32
Subsidized Companies (Repayment of Advances of Interest).	32	–	–	–	1,584	27,300	–	–	33
Total	11,852,200	11,816,100	2,380,565	2,167,300	38,985	88,100	205,693	341,000	34
Irrigation:									
Major Works: Direct Receipts	598,527	564,700	252,581	350,300	22,076	24,000	36,640	35,500	35
Portion of Land Revenue due to Irrigation.	87,238	87,200	68,144	43,200	390,222	386,800	51,865	61,200	36
Minor Works and Navigation	106,232	111,200	17,991	19,300	9,802	9,000	15,387	14,400	37
Total	791,997	763,100	338,716	412,800	422,100	419,800	103,892	111,100	38
Buildings and Roads:									
Military Works	174,116	24,400	601	600	2,398	2,500	11,269	10,200	39
Civil Works	235,456	223,500	63,922	60,500	91,626	93,200	117,526	115,100	40
Total	409,572	247,900	64,523	61,100	94,024	95,700	128,795	125,300	41
Receipts by Military Department:									
Army: Effective	463,833	495,600	–	–	241,728	219,400	158,679	154,800	42
Non-effective	23,410	23,000	–	–	15,684	17,200	10,884	10,000	43
Total	487,243	518,600	–	–	257,412	236,600	169,563	164,800	44
TOTAL REVENUE	48,048,259	49,036,200	6,417,326	6,131,100	10,167,749	10,057,600	12,376,777	12,335,100	45

of *British India*, and in *England*, for 1887–88, compared with the Results of 1886–87—*continued*.

	Total India.		England.		Exchange.*		Grand Total.		Heads of Revenue.
	1886–87.	1887–88.	1886–87.	1887–88.	1886–87.	1887–88.	1886–87.	1887–88.	
	Rx.	*Rx.*	£.	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	Principal Heads of Revenue:
1	23,055,724	22,982,900	–	–	–	–	23,055,724	22,982,900	Land Revenue.
2	8,942,976	8,544,200	–	–	–	–	8,942,976	8,544,200	Opium.
3	6,657,644	6,723,100	–	–	–	–	6,657,644	6,723,100	Salt.
4	3,751,280	3,848,100	–	–	–	–	3,751,280	3,848,100	Stamps.
5	4,375,174	4,503,100	–	–	–	–	4,375,174	4,503,100	Excise.
6	2,999,861	2,998,700	–	–	–	–	2,999,861	2,998,700	Provincial Rates.
7	1,246,293	1,346,600	–	–	–	–	1,246,293	1,346,600	Customs.
8	1,354,735	1,417,100	–	–	–	–	1,354,735	1,417,100	Assessed Taxes.
9	1,103,970	1,141,700	–	–	–	–	1,103,970	1,141,700	Forest.
10	299,059	310,200	–	–	–	–	299,059	310,200	Registration.
11	695,415	740,000	–	–	–	–	695,415	740,000	Tributes from Native States.
12	54,482,131	54,555,700	–	–	–	–	54,482,131	54,555,700	- - - Total.
13	613,645	655,500	41,352	65,978	15,551	27,725	670,548	749,203	Interest.
									Post Office, Telegraph, and Mint:
14	1,154,307	1,200,800	–	–	–	–	1,154,307	1,200,800	Post Office.
15	679,595	754,000	9,558	11,206	3,594	4,709	692,747	769,915	Telegraph.
16	180,346	216,000	60	19	22	8	180,428	216,027	Mint.
17	2,014,248	2,170,800	9,618	11,225	3,616	4,717	2,027,482	2,186,742	- - - Total.
									Receipts by Civil Departments:
18	298,688	310,800	–	–	–	–	298,688	310,800	Law and Justice: Courts of Law.
19	288,508	234,800	–	–	–	–	288,508	234,800	Jails.
20	315,863	330,500	–	–	–	–	315,863	330,500	Police.
21	200,029	196,500	–	–	–	–	200,029	196,500	Marine.
22	208,395	213,300	–	–	–	–	208,395	213,300	Education.
23	61,187	55,900	2,488	2,663	936	1,119	64,611	59,682	Medical.
24	84,738	73,200	600	614	226	258	85,564	74,072	Scientific and other Minor Departments.
25	1,457,408	1,415,000	3,088	3,277	1,162	1,377	1,461,658	1,419,654	- - - Total.
									Miscellaneous:
26	258,244	251,600	102,769	104,118	38,648	43,751	399,661	399,469	Receipts in aid of Superannuation, &c.
27	96,816	74,100	–	–	–	–	96,816	74,100	Stationery and Printing.
28	–	518,900	–	–	–	–	–	518,900	Exchange.
29	342,339	349,100	6,873	8,830	2,585	3,710	351,797	361,640	Miscellaneous.
30	697,399	1,193,700	109,642	112,948	41,233	47,461	848,274	1,354,109	- - - Total.
									Railways:
31	10,828,711	10,851,200	230	230	86	97	10,829,027	10,851,527	State Railways (Gross Earnings).
32	3,647,116	3,534,000	–	–	–	–	3,647,116	3,534,000	Guaranteed Companies (Net Traffic Receipts).
33	1,616	27,300	–	–	–	–	1,616	27,300	Subsidized Companies (Repayment of Advances of Interest).
34	14,477,443	14,412,500	230	230	86	97	14,477,759	14,412,827	- - - Total.
									Irrigation:
35	909,824	974,500	–	–	–	–	909,824	974,500	Major Works: Direct Receipts.
36	597,469	578,400	–	–	–	–	597,469	578,400	Portion of Land Revenue due to Irrigation.
37	149,412	153,900	–	–	–	–	149,412	153,900	Minor Works and Navigation.
38	1,656,705	1,706,800	–	–	–	–	1,656,705	1,706,800	- - - Total.
									Buildings and Roads:
39	188,384	37,700	–	–	–	–	188,384	37,700	Military Works.
40	508,530	492,300	22,281	25,601	8,379	10,758	539,190	528,659	Civil Works.
41	696,914	530,000	22,281	25,601	8,379	10,758	727,574	566,359	- - - Total.
									Receipts by Military Department:
42	864,240	869,800	47,162	38,289	17,736	16,089	929,138	924,178	Army: Effective.
43	49,978	50,200	4,278	4,872	1,609	2,047	55,865	57,119	Non-effective.
44	914,218	920,000	51,440	43,161	19,345	18,136	985,003	981,297	- - - Total.
45	77,010,111	77,560,000	237,651	262,420	89,372	110,271	77,337,134	77,932,691	- - - TOTAL REVENUE.

* The Columns headed "Exchange" show, under the several heads of Revenue and Expenditure which include transactions in England, the Exchange thereon calculated in accordance with the average rate obtained for Bills and Telegraphic Transfers sold during the year.

No. 3.—ACCOUNT showing the ESTIMATED EXPENDITURE (Imperial, Provincial, compared with the

HEADS OF EXPENDITURE.	INDIA, GENERAL.		CENTRAL PROVINCES.		BURMA.		ASSAM.	
	1886-87.	1887-88.	1886-87.	1887-88.	1886-87.	1887-88.	1886-87.	
DIRECT DEMANDS ON THE REVENUES:	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	
Refunds and Drawbacks	7,488	2,700	1,958	2,300	25,848	20,800	1,413	1
Assignments and Compensations	299,058	300,500	5,685	6,900	–	–	3,576	2
Charges in respect of Collection, viz.:								
Land Revenue	56,817	52,800	137,064	152,000	244,140	290,200	95,369	3
Opium (including cost of Production)	1,405	1,300	–	–	–	–	–	4
Salt (including cost of Production)	145,304	124,000	–	–	248	300	–	5
Stamps	*—42,684*	*—44,400*	3,879	4,400	2,302	2,900	2,748	6
Excise	1,295	1,400	6,949	7,200	3,255	2,200	452	7
Provincial Rates	–	–	–	–	5,099	4,100	410	8
Customs	–	–	–	–	17,107	17,000	–	9
Assessed Taxes	105	100	107	100	–	–	521	10
Forest	22,452	27,900	49,830	55,500	107,275	128,800	21,114	11
Registration	590	600	4,039	4,300	1,418	1,500	2,243	12
TOTAL	491,830	466,900	209,511	232,700	406,692	467,800	127,846	13
INTEREST:								
Interest on Debt,* other than that charged to Railways and Irrigation Works.	369,019	335,900	268	900	–	–	26	14
Interest on other obligations	293,155	327,800	357	500	211	300	3	15
TOTAL	662,174	663,700	625	1,400	211	300	29	16
POST OFFICE, TELEGRAPH, AND MINT:								
Post Office	80,361	1,101,200	45,136	5,400	41,437	12,100	33,718	17
Telegraph	560,038	590,500	–	–	–	–	–	18
Mint	35,841	51,000	–	–	–	–	–	19
TOTAL	676,240	1,742,700	45,136	5,400	41,437	12,100	33,718	20
SALARIES AND EXPENSES OF CIVIL DEPARTMENTS:								
General Administration	432,288	428,000	45,638	47,000	77,836	94,600	23,203	21
Law and Justice:								
Courts of Law	23,613	22,700	71,291	73,700	121,472	172,800	51,629	22
Jails	132,013	114,700	58,702	52,500	110,854	88,000	10,008	23
Police	56,373	54,700	137,110	135,100	651,243	1,050,000	95,436	24
Marine (including River Navigation)	404,773	308,400	–	–	27,686	30,300	4,578	25
Education	17,542	17,400	67,359	66,300	49,510	46,500	32,164	26
Ecclesiastical	16,985	16,100	4,457	4,800	6,498	7,600	1,940	27
Medical	18,204	21,400	31,523	32,200	30,066	42,600	17,879	28
Political	482,563	441,500	1,610	1,200	25,631	18,200	4,384	29
Scientific and other Minor Departments	267,048	265,900	5,903	5,900	6,458	4,000	4,783	30
TOTAL	1,851,402	1,690,800	423,593	418,700	1,107,254	1,554,600	246,004	31
MISCELLANEOUS CIVIL CHARGES:								
Territorial and Political Pensions	165,200	129,500	30,475	29,500	12,429	14,400	2,154	32
Civil Furlough and Absentee Allowances	472	1,500	–	–	–	100	–	33
Superannuation Allowances and Pensions	71,010	67,000	15,567	17,000	20,262	20,700	6,226	34
Stationery and Printing	*—57,164*	*—78,900*	12,129	12,100	20,566	27,400	5,769	35
Exchange	26,302	–	–	–	–	–	–	36
Miscellaneous	54,277	26,400	6,004	6,700	21,671	25,600	6,147	37
TOTAL	260,097	145,500	64,175	65,300	74,928	88,200	20,296	38
FAMINE RELIEF AND INSURANCE:								
Famine Relief	–	–	523	500	–	–	–	39
Construction of Protective Railways	200,000	–	–	–	–	–	–	40
Construction of Protective Irrigation Works.	–	6,400	–	–	–	–	–	41
TOTAL	200,000	6,400	523	500	–	–	–	42
Carried forward to page 12	4,141,743	4,716,000	743,563	724,000	1,630,522	2,123,000	427,893	43

* The "Interest on Debt" is distributed as follows:—

Interest on Debt (other than that charged to Railways and Irrigation Works) as above.	369,019	335,900	268	900	–	–	26	
Under Railway Revenue Account	2,026,745	2,143,600	43,288	–	109,384	115,100	–	
Under Irrigation	506,574	514,500	–	–	–	–	–	
TOTAL	2,902,338	2,994,000	43,556	900	109,384	115,100	26	

and Local) in each of the PROVINCES of *British India*, and in *England*, for 1887-88, RESULTS of 1886-87.

	ASSAM.	BENGAL.		NORTH WESTERN PROVINCES and OUDH.		CARRIED FORWARD.		HEADS OF EXPENDITURE.
	1887-88.	1886-87.	1887-88.	1886-87.	1887-88.	1886-87.	1887-88.	
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	DIRECT DEMANDS ON THE REVENUES:
1	2,600	53,729	55,600	15,873	18,000	106,309	102,000	Refunds and Drawbacks.
2	4,200	30,960	28,500	24,617	24,800	363,896	364,900	Assignments and Compensations.
								Charges in respect of Collection, viz.:
3	96,500	352,142	330,000	795,068	810,000	1,680,600	1,731,500	Land Revenue.
4	–	2,722,649	2,506,600	–	–	2,724,054	2,507,900	Opium (including cost of Production).
5	–	1,122	1,200	–	–	146,674	125,500	Salt (including cost of Production).
6	3,200	48,515	47,700	17,127	17,000	31,887	30,800	Stamps.
7	400	37,781	42,000	11,336	11,700	61,068	64,900	Excise.
8	400	22,616	36,900	640	700	28,765	42,100	Provincial Rates.
9	–	51,371	53,900	–	–	68,478	70,900	Customs.
10	300	27,044	15,000	3,868	2,000	31,645	17,500	Assessed Taxes.
11	23,000	42,278	42,200	91,936	95,800	334,885	373,200	Forest.
12	2,200	56,237	58,000	18,745	19,500	83,272	86,100	Registration.
13	132,800	3,446,444	3,217,600	979,210	999,500	5,661,533	5,517,300	- - - TOTAL.
								INTEREST:
14	–	604	1,000	1,539	1,200	371,456	339,000	Interest on Debt,* other than that charged to Railways and Irrigation Works.
15	–	11,477	11,500	839	800	306,042	340,900	Interest on other Obligations.
16	–	12,081	12,500	2,378	2,000	677,498	679,900	- - - TOTAL.
								POST OFFICE, TELEGRAPH, AND MINT:
17	3,500	393,626	35,600	148,405	18,500	742,683	1,176,300	Post Office.
18	–	86	100	–	–	560,124	590,600	Telegraph.
19	–	–	–	–	–	35,841	51,000	Mint.
20	3,500	393,712	35,700	148,405	18,500	1,338,648	1,817,900	- - - TOTAL.
								SALARIES AND EXPENSES OF CIVIL DEPARTMENTS:
21	23,900	200,547	192,100	160,907	162,300	940,419	947,900	General Administration.
								Law and Justice:
22	52,400	795,262	795,000	420,629	422,200	1,483,896	1,538,800	Courts of Law.
23	9,300	166,613	151,000	96,792	105,100	574,982	520,600	Jails.
24	96,000	476,977	480,000	623,499	633,000	2,040,638	2,448,800	Police.
25	6,600	85,301	90,400	–	–	522,338	435,700	Marine (including River Navigation).
26	32,700	337,637	337,000	173,866	175,100	678,078	675,000	Education.
27	1,700	18,824	18,500	24,642	23,400	73,346	72,100	Ecclesiastical.
28	18,500	146,514	146,000	110,024	105,000	354,210	365,700	Medical.
29	5,800	2,679	5,500	11,181	12,100	528,048	484,300	Political.
30	4,000	32,691	32,000	20,839	20,600	337,722	332,400	Scientific and other Minor Departments.
31	250,900	2,263,045	2,247,500	1,642,379	1,658,800	7,533,677	7,821,300	- - - TOTAL.
								MISCELLANEOUS CIVIL CHARGES:
32	2,000	97,880	96,000	80,624	85,000	388,762	356,400	Territorial and Political Pensions.
33	–	1,100	1,000	3	300	1,575	2,900	Civil Furlough and Absentee Allowances.
34	6,700	127,034	128,500	133,138	140,000	378,287	379,900	Superannuation Allowances and Pensions.
35	6,200	197,356	200,400	54,575	54,000	233,231	221,200	Stationery and Printing.
36	–	–	–	–	–	26,302	–	Exchange.
37	5,800	47,058	37,400	27,685	23,500	162,842	125,400	Miscellaneous.
38	20,700	470,478	463,300	301,025	302,800	1,190,999	1,085,800	- - - TOTAL.
								FAMINE RELIEF AND INSURANCE:
39	–	–	–	–	–	523	500	Famine Relief.
40	–	–	–	–	–	200,000	–	Construction of Protective Railways.
41	–	8,400	–	11,969	7,400	20,369	13,800	Construction of Protective Irrigation Works.
42	–	8,400	–	11,969	7,400	220,892	14,300	- - - TOTAL.
43	407,900	6,594,160	5,976,600	3,085,366	2,989,000	16,623,247	16,936,500	Carried forward to page 13.

* The "Interest on Debt" is distributed as follows:—

–	604	1,000	1,539	1,200	371,456	339,000	Interest on Debt (other than that charged to Railways and Irrigation Works) as above.
–	206,775	308,700	17,424	–	2,403,616	2,567,400	Under Railway Revenue Account.
–	227,349	231,700	258,668	273,000	992,591	1,019,200	Under Irrigation.
–	434,728	541,400	277,631	274,200	3,767,663	3,925,600	- - - TOTAL.

No. 3.—ACCOUNT showing the Estimated Expenditure (Imperial, Provincial, and Local) in each of the

HEADS OF EXPENDITURE.	BROUGHT FORWARD.		PUNJAB.		MADRAS.		BOMBAY.		
	1886-87.	1887-88.	1886-87.	1887-88.	1886-87.	1887-88.	1886-87.	1887-88.	
DIRECT DEMANDS ON THE REVENUES:	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	
Refunds and Drawbacks	106,309	102,000	13,352	10,800	30,082	28,400	64,789	70,500	1
Assignments and Compensations	363,896	364,900	18,543	18,000	114,315	116,200	950,183	970,000	2
Charges in respect of Collection, viz.:									
Land Revenue	1,680,600	1,731,500	332,456	335,000	776,316	782,300	673,375	670,000	3
Opium (including cost of Production)	2,724,054	2,507,900	–	–	–	–	2,458	2,500	4
Salt (including cost of Production)	146,674	125,500	–	–	138,602	139,800	200,886	164,000	5
Stamps	31,887	30,800	15,503	16,900	16,286	15,000	21,944	22,000	6
Excise	61,068	64,900	5,771	5,700	24,083	22,300	25,586	29,500	7
Provincial Rates	28,765	42,100	17,178	16,800	–	–	5,162	5,100	8
Customs	68,478	70,900	–	–	17,615	16,600	49,725	49,400	9
Assessed Taxes	31,645	17,500	3,425	1,400	6,166	4,000	8,922	7,700	10
Forest	334,885	373,200	71,623	68,400	114,906	121,200	194,999	197,800	11
Registration	83,272	86,100	10,273	10,800	61,426	63,200	29,874	28,800	12
TOTAL	5,661,533	5,517,300	488,124	483,800	1,299,797	1,309,000	2,227,903	2,217,300	13
INTEREST:									
Interest on Debt,* other than that charged to Railways and Irrigation Works.	371,456	339,000	1,727	1,100	649	800	1,556	1,100	14
Interest on other Obligations	306,042	340,900	5,433	3,900	6,163	6,200	43,469	46,000	15
TOTAL	677,498	679,900	7,160	5,000	6,812	7,000	45,025	47,100	16
POST OFFICE, TELEGRAPH, AND MINT:									
Post Office	742,683	1,176,300	139,714	13,300	123,884	10,700	182,839	11,700	17
Telegraph	560,124	590,600	–	–	–	–	536	400	18
Mint	35,841	51,000	–	–	–	–	35,465	40,000	19
TOTAL	1,338,648	1,817,900	139,714	13,300	123,884	10,700	218,840	52,100	20
SALARIES AND EXPENSES OF CIVIL DEPARTMENTS:									
General Administration	940,429	947,900	126,925	124,000	149,066	144,500	175,859	177,500	21
Law and Justice:									
Courts of Law	1,483,896	1,538,800	275,317	277,500	392,805	397,500	441,867	441,000	22
Jails	574,982	520,600	78,494	87,000	88,306	86,700	59,318	54,400	23
Police	2,040,638	2,448,800	331,052	338,900	394,600	384,500	518,807	554,700	24
Marine (including River Navigation)	522,338	435,700	–	–	1,839	2,700	6,761	2,700	25
Education	678,078	675,000	140,381	120,000	191,159	194,700	295,114	291,300	26
Ecclesiastical	73,346	72,100	21,565	22,800	32,745	33,300	30,920	31,400	27
Medical	354,210	365,700	83,326	80,900	165,152	164,000	144,132	144,000	28
Political	528,048	484,300	73,826	69,000	21,649	9,300	90,250	85,000	29
Scientific and other Minor Departments	337,722	332,400	21,535	20,000	41,334	36,700	30,559	21,500	30
TOTAL	7,533,677	7,821,300	1,152,421	1,140,100	1,478,655	1,453,900	1,793,587	1,803,500	31
MISCELLANEOUS CIVIL CHARGES:									
Territorial and Political Pensions	388,762	356,400	44,318	44,000	109,764	106,100	79,680	80,000	32
Civil Furlough and Absentee Allowances	1,575	2,900	–	–	42	–	170	300	33
Superannuation Allowances and Pensions	378,287	379,900	65,065	69,000	111,076	119,800	138,055	146,000	34
Stationery and Printing	233,231	221,200	44,118	43,000	95,137	112,200	63,185	70,000	35
Exchange	26,302	–	–	–	–	–	–	–	36
Miscellaneous	162,842	125,400	15,629	20,000	77,793	74,800	45,746	28,000	37
TOTAL	1,190,999	1,085,800	169,130	176,000	393,812	412,900	326,836	324,300	38
FAMINE RELIEF AND INSURANCE:									
Famine Relief	523	500	–	–	518	300	–	–	39
Construction of Protective Railways	200,000	–	–	–	–	–	–	–	40
Construction of Protective Irrigation Works.	20,369	13,800	9,877	8,500	36,514	28,600	41,219	41,600	41
TOTAL	220,892	14,300	9,877	8,500	37,032	28,900	41,219	41,600	42
Carried forward to page 14	16,623,247	16,936,500	1,966,426	1,826,700	3,339,992	3,222,400	4,653,410	4,485,900	43

* The "Interest on Debt" is distributed as follows:—

Interest on Debt (other than that charged to Railways and Irrigation Works) as above.	371,456	339,000	1,727	1,100	649	800	1,556	1,100	
Under Railway Revenue Account	2,403,616	2,567,400	19,832	19,800	–	–	–	–	
Under Irrigation	992,591	1,019,200	–	–	–	–	–	–	
TOTAL	3,767,663	3,925,600	21,559	20,900	649	800	1,556	1,100	

Provinces of *British India*, and in *England*, for 1887–88, compared with the Results of 1886–87—*continued.*

	Total India.		England.		Exchange.†		Grand Total.		Heads of Expenditure.
	1886–87.	1887–88.	1886–87.	1887–88.	1886–87.	1887–88.	1886–87.	1887–88.	
	Rx.	*Rx.*	£.	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	Direct Demands on the Revenues:
1	214,532	211,700	–	–	–	–	214,532	211,700	Refunds and Drawbacks.
2	1,446,937	1,469,100	–	–	–	–	1,446,937	1,469,100	Assignments and Compensations.
									Charges in respect of Collection, viz.:
3	3,462,747	3,518,800	1,094	133	411	56	3,464,252	3,518,989	Land Revenue.
4	2,726,512	2,510,400	1,854	941	697	395	2,729,063	2,511,736	Opium (including cost of Production).
5	486,162	429,300	7	55	3	23	486,172	429,378	Salt (including cost of Production).
6	85,620	84,700	44,470	54,338	16,724	22,833	146,814	161,871	Stamps.
7	116,508	122,400	161	5	61	2	116,730	122,407	Excise.
8	51,105	64,000	–	–	–	–	51,105	64,000	Provincial Rates.
9	135,818	136,900	–	20	–	8	135,818	136,928	Customs.
10	50,158	30,600	–	–	–	–	50,158	30,600	Assessed Taxes.
11	716,413	760,600	2,436	1,758	916	739	719,765	763,097	Forest.
12	184,845	188,900	–	–	–	–	184,845	188,900	Registration.
13	9,677,357	9,527,400	50,022	57,250	18,812	24,056	9,746,191	9,608,706	- - - Total.
									Interest:
14	375,388	342,000	2,596,975	3,365,222	976,633	1,414,099	3,948,996	5,121,321	Interest on Debt,* other than that charged to Railways and Irrigation Works.
15	361,107	397,000	218	287	82	121	361,407	397,408	Interest on other Obligations.
16	736,495	739,000	2,597,193	3,365,509	976,715	1,414,220	4,310,403	5,518,729	- - - Total.
									Post Office, Telegraph, and Mint:
17	1,189,120	1,212,000	117,125	114,940	44,047	48,299	1,350,292	1,375,239	Post Office.
18	560,660	591,000	111,771	127,662	42,033	53,645	714,464	772,307	Telegraph.
19	71,306	91,000	6,686	4,691	2,514	1,971	80,506	97,662	Mint.
20	1,821,086	1,894,000	235,582	247,293	88,594	103,915	2,145,262	2,245,208	- - - Total.
									Salaries and Expenses of Civil Departments:
21	1,392,269	1,393,900	248,248	267,870	93,358	112,562	1,733,875	1,774,332	General Administration.
									Law and Justice:
22	2,593,885	2,654,800	1,067	453	401	190	2,595,353	2,655,443	Courts of Law.
23	801,100	748,700	–	–	–	–	801,100	748,700	Jails.
24	3,285,097	3,726,900	–	–	–	–	3,285,097	3,726,900	Police.
25	530,938	441,100	230,502	142,448	86,684	59,858	848,124	643,406	Marine (including River Navigation).
26	1,304,732	1,281,000	440	624	165	262	1,305,337	1,281,886	Education.
27	158,576	159,600	300	550	113	231	158,989	160,381	Ecclesiastical.
28	746,820	754,600	7,169	6,848	2,696	2,878	756,685	764,326	Medical.
29	713,773	647,600	29,825	30,604	11,216	12,860	754,814	691,064	Political.
30	431,150	410,600	20,342	18,610	7,650	7,820	459,142	437,030	Scientific and other Minor Departments.
31	11,958,340	12,218,800	537,893	468,007	202,283	196,661	12,698,516	12,883,468	- - - Total.
									Miscellaneous Civil Charges:
32	622,524	586,500	18,287	15,749	6,877	6,618	647,688	608,867	Territorial and Political Pensions.
33	1,787	3,200	187,742	215,560	70,603	90,580	260,132	309,340	Civil Furlough and Absentee Allowances.
34	692,483	714,700	1,575,929	1,597,840	592,653	671,428	2,861,065	2,983,968	Superannuation Allowances and Pensions.
35	435,671	446,400	91,826	89,316	34,533	37,531	562,030	573,247	Stationery and Printing.
36	26,302	–	–	–	–	–	26,302	–	Exchange.
37	302,010	248,200	30,398	32,843	11,432	13,801	343,840	294,844	Miscellaneous.
38	2,080,777	1,999,000	1,904,182	1,951,308	716,098	819,958	4,701,057	4,770,266	- - - Total.
									Famine Relief and Insurance:
39	1,041	800	–	–	–	–	1,041	806	Famine Relief.
40	200,000	–	–	–	–	–	200,000	–	Construction of Protective Railways.
41	107,979	92,500	–	–	–	–	107,979	92,500	Construction of Protective Irrigation Works.
42	309,020	93,300	–	–	–	–	309,020	93,300	- - - Total.
43	26,583,075	26,471,500	5,324,872	6,089,367	2,002,502	2,558,810	33,910,449	35,119,677	- - - Carried forward to page 15.

* The "Interest on Debt" is distributed as follows:—

	375,388	342,000	2,596,975	3,365,222	976,633	1,414,099	3,948,996	5,121,321
	2,423,448	2,587,200	566,049	552,080	212,871	231,989	3,202,368	3,371,269
	992,591	1,019,200	–	–	–	–	992,591	1,019,200
	3,791,427	3,948,400	3,163,024	3,917,302	1,189,504	1,646,088	8,143,955	9,511,790

Interest on Debt (other than that charged to Railways and Irrigation Works) as above.
Under Railway Revenue Account.
Under Irrigation.
- - - Total.

† *See* foot-note to Statement, No. 2, p. 7.

No. 3.—ACCOUNT showing the Estimated Expenditure (Imperial, Provincial, and Local) in each of the

HEADS OF EXPENDITURE.	INDIA, GENERAL.		CENTRAL PROVINCES.		BURMAH.		ASSAM.	
	1886-87.	1887-88.	1886-87.	1887-88.	1886-87.	1887-88.	1886-87.	
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	
Brought forward from page 8	4,141,743	4,716,000	743,563	724,000	1,630,522	2,123,000	427,893	1
CONSTRUCTION OF RAILWAYS (charged against Revenue in addition to that under Famine Insurance).	–	–	–	–	–	–	21,819	2
RAILWAY REVENUE ACCOUNT:								
State Railways:								
Working Expenses	2,643,093	2,575,000	150,734	160,000	173,250	176,000	7,737	3
Interest on Debt	2,026,745	2,143,600	43,288	–	109,384	115,100	–	4
Annuities in Purchase of Railways	–	–	–	–	–	–	–	5
Interest on Capital deposited by Companies.	–	–	–	–	–	–	–	6
Guaranteed Companies:								
Surplus Profits, Land, and Supervision	520,452	642,400	2	7,100	–	–	–	7
Interest	10,648	29,900	–	–	–	–	–	8
Subsidized Companies:								
Land, &c.	–	–	–	–	–	–	10,456	9
Miscellaneous Railway Expenditure	24,351	35,200	–	*—4,500*	*—87*	–	11,637	10
TOTAL	5,225,289	5,426,100	194,024	162,600	282,547	291,100	29,830	11
IRRIGATION:								
Major Works:								
Working Expenses	–	–	–	–	–	–	–	12
Interest on Debt	506,574	514,500	–	–	–	–	–	13
Minor Works and Navigation	11,220	25,400	–	–	37,204	53,100	–	14
TOTAL	517,794	539,900	–	–	37,204	53,100	–	15
BUILDINGS AND ROADS:								
Military Works	686,356	709,400	14,430	8,500	104,868	337,900	17,308	16
Civil Works	252,971	285,800	162,500	163,300	313,453	475,700	166,235	17
TOTAL	939,327	995,200	176,930	171,800	418,321	813,600	183,543	18
ARMY SERVICES:								
Army:								
Effective	7,487,660	7,797,300	–	–	–	–	–	19
Non-effective	396,583	406,900	–	–	–	–	–	20
TOTAL	7,884,243	8,204,200	–	–	–	–	–	21
SPECIAL DEFENCE WORKS	34,903	487,100	–	–	12,478	–	–	22
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL	18,743,299	20,368,500	1,114,517	1,058,400	2,381,072	3,280,800	663,085	23
Add,—Portion of Allotments to Provincial Governments not spent by them in the year.	384	3,000	–	–	95,728	41,200	–	24
Deduct,—Portion of Provincial Expenditure defrayed from Provincial Balances.	–	–	*—119,537*	*—17,600*	–	–	*—29,745*	25
TOTAL EXPENDITURE CHARGED AGAINST REVENUE	18,743,683	20,371,500	994,980	1,040,800	2,476,800	3,322,000	633,340	26
EXPENDITURE NOT CHARGED TO REVENUE:								
Capital Outlay on Railways and Irrigation Works:								
State Railways	*—135,189*	*—200*	163,370	*—1,384,300*	134,243	670,900	–	27
Irrigation Works	6,968	26,300	–	–	–	–	–	28
	—128,221	26,100	163,370	*—1,384,300*	134,243	670,900	–	29
Capital Charge involved in Redemption of Liabilities	–	–	–	–	–	–	–	30

Provinces of *British India*, and in *England*, for 1887-88, compared with the Results of 1886-87—*cont^d.*

	Assam.	Bengal.		North Western Provinces and Oudh.		Carried Forward.		Heads of Expenditure.
	1887-88.	1886-87.	1887-88.	1886-87.	1887-88.	1886-87.	1887-88.	
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	
1	407,900	6,594,160	5,976,600	3,085,366	2,989,000	16,623,247	16,936,500	Brought forward from page 9.
2	16,000	336	*—300*	160,922	66,000	183,077	81,700	Construction of Railways (charged against Revenue in addition to that under Famine Insurance).
								Railway Revenue Account:
3	9,700	684,397	665,300	100,270	47,600	3,759,481	3,633,600	State Railways: Working Expenses.
4	–	206,775	308,700	17,424	–	2,403,616	2,567,400	Interest on Debt.
5	–	–	–	–	–	–	–	Annuities in Purchase of Railways.
6	–	–	–	–	–	–	–	Interest on Capital deposited by Companies.
7	–	12,484	12,500	15,375	8,800	548,313	670,800	Guaranteed Companies: Surplus Profits, Land, and Supervision.
8	–	–	–	–	–	10,648	29,900	Interest.
9	10,500	30,787	–	4,000	36,500	45,243	47,000	Subsidized Companies: Land, &c.
10	300	13,071	9,200	2,078	100	51,050	40,300	Miscellaneous Railway Expenditure.
11	20,500	947,514	995,700	139,147	93,000	6,818,351	6,989,000	- - - Total.
								Irrigation:
12	–	133,260	152,500	220,615	229,400	353,875	381,900	Major Works: Working Expenses.
13	–	227,349	231,700	258,668	273,000	992,591	1,019,200	Interest on Debt.
14	–	123,545	170,200	21,677	23,300	193,646	272,000	Minor Works and Navigation.
15	–	484,154	554,400	500,960	525,700	1,540,112	1,673,100	- - - Total.
								Buildings and Roads:
16	17,700	5,393	2,900	10,697	11,300	839,052	1,087,700	Military Works.
17	159,400	819,189	709,000	566,100	569,500	2,280,448	2,362,700	Civil Works.
18	177,100	824,582	711,900	576,797	580,800	3,119,500	3,450,400	- - - Total.
								Army Services: Army:
19	–	–	–	–	–	7,487,660	7,797,300	Effective.
20	–	–	–	–	–	396,583	406,900	Non-effective.
21	–	–	–	–	–	7,884,243	8,204,200	- - - Total.
22	–	–	–	–	–	47,381	487,100	Special Defence Works.
23	621,500	8,850,746	8,238,300	4,463,192	4,254,500	36,215,911	37,822,000	Total Expenditure, Imperial and Provincial.
24	–	52,488	165,700	–	–	148,600	209,900	*Add*,—Portion of Allotments to Provincial Governments not spent by them in the year.
25	*—19,000*	–	–	*—10,120*	*—128,600*	*—159,402*	*—165,200*	*Deduct*,—Portion of Provincial Expenditure defrayed from Provincial Balances.
26	602,500	8,903,234	8,404,000	4,453,072	4,125,900	36,205,109	37,866,700	Total Expenditure charged against Revenue.
								Expenditure not charged to Revenue: Capital Outlay on Railways and Irrigation Works:
27	–	298,078	327,400	*—25,811*	*—700*	434,691	*—386,900*	State Railways.
28	–	57,636	72,500	168,285	151,700	232,889	250,500	Irrigation Works.
29	–	355,714	399,900	142,474	151,000	667,580	*—136,400*	
30	–	–	–	–	–	–	–	Capital Charge involved in Redemption of Liabilities.

No. 3.—ACCOUNT showing the Estimated Expenditure (Imperial, Provincial, and Local) in each of the

HEADS OF EXPENDITURE.	BROUGHT FORWARD.		PUNJAB.		MADRAS.		BOMBAY.		
	1886–87.	1887–88.	1886–87.	1887–88.	1886–87.	1887–88.	1886–87.	1887–88.	
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	
Brought forward from page 10	16,623,247	16,936,500	1,966,426	1,826,700	3,339,992	3,222,400	4,653,410	4,485,900	1
CONSTRUCTION OF RAILWAYS (charged against Revenue, in addition to that under Famine Insurance).	183,077	81,700	–	–	–	–	–	–	2
RAILWAY REVENUE ACCOUNT:									
State Railways:									
Working Expenses	3,759,481	3,633,600	1,314,668	1,550,000	20,144	57,100	125,596	220,000	3
Interest on Debt	2,403,616	2,567,400	19,832	19,800	–	–	–	–	4
Annuities in purchase of Railways	–	–	–	–	–	–	–	–	5
Interest on Capital deposited by Companies.	–	–	–	–	–	–	347	400	6
Guaranteed Companies:									
Surplus Profits, Land, and Supervision	548,313	670,800	131	–	22,468	23,200	29,921	27,000	7
Interest	10,648	29,900	–	–	–	–	–	–	8
Subsidized Companies:									
Land, &c.	45,243	47,000	–	–	–	–	–	–	9
Miscellaneous Railway Expenditure	51,050	40,300	34,747	11,900	3,889	–	4,713	1,200	10
TOTAL	6,818,351	6,989,000	1,369,378	1,581,700	46,501	80,300	160,577	248,600	11
IRRIGATION:									
Major Works:									
Working Expenses	353,875	381,900	135,608	160,200	104,917	106,200	32,373	34,400	12
Interest on Debt	992,591	1,019,200	–	–	–	–	–	–	13
Minor Works and Navigation	193,646	272,000	63,593	71,600	270,696	262,800	161,434	176,000	14
TOTAL	1,540,112	1,673,100	199,201	231,800	375,613	369,000	193,807	210,400	15
BUILDINGS AND ROADS:									
Military Works	839,052	1,087,700	22,977	28,100	56,721	57,300	140,263	99,600	16
Civil Works	2,280,448	2,362,700	427,445	548,200	603,371	591,400	710,412	679,800	17
TOTAL	3,119,500	3,450,400	450,422	576,300	660,092	648,700	850,675	779,400	18
ARMY SERVICES:									
Army:									
Effective	7,487,660	7,797,300	–	–	3,973,359	3,984,100	2,310,178	2,416,500	19
Non-effective	396,583	406,900	–	–	303,579	309,500	149,157	148,700	20
TOTAL	7,884,243	8,204,200	–	–	4,276,938	4,293,600	2,459,335	2,565,200	21
SPECIAL DEFENCE WORKS	47,381	487,100	–	–	–	–	75,729	–	22
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL	36,215,911	37,822,000	3,985,427	4,216,500	8,699,136	8,614,000	8,393,533	8,289,500	23
Add,—Portion of Allotments to Provincial Governments not spent by them in the year.	148,600	209,900	23,820	–	144,062	83,800	–	–	24
Deduct,—Portion of Provincial Expenditure defrayed from Provincial Balances.	*—159,402*	*—165,200*	–	*—12,600*	–	–	*—121,415*	*—88,200*	25
TOTAL EXPENDITURE CHARGED AGAINST REVENUE	36,205,109	37,866,700	4,009,247	4,203,900	8,843,198	8,697,800	8,272,118	8,201,300	26
EXPENDITURE NOT CHARGED TO REVENUE:									
Capital Outlay on Railways and Irrigation Works:									
State Railways	434,691	*—286,900*	2,421,261	725,100	448,250	415,000	1,019	2,000	27
Irrigation Works	232,889	250,500	190,117	205,100	98,034	115,400	23,575	21,900	28
	667,580	*—136,400*	2,611,378	930,200	546,284	530,400	24,594	23,900	29
Capital Charge involved in Redemption of Liabilities	–	–	–	–	–	–	–	–	30

Calcutta, Comptroller General's Office, 14 April 1888.
India Office, 10 May 1888.

Provinces of *British India* and in *England* for 1887-88, compared with the Results of 1886-87—*continued.*

	Total India.		England.		Exchange.*		Grand Total.		Heads of Expenditure.
	1886-87.	1887-88.	1886-87.	1887-88.	1886-87.	1887-88.	1886-87.	1887-88.	
	Rx.	*Rx.*	£.	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	
1	26,583,075	26,471,500	5,324,872	6,089,367	2,002,502	2,558,810	33,910,449	35,119,677	- - - Brought forward from page 11.
2	183,077	81,700	–	–	–	–	183,077	81,700	Construction of Railways (charged against Revenue, in addition to that under Famine Insurance).
									Railway Revenue Account:
3	5,219,889	5,460,700	–	–	–	–	5,219,889	5,460,700	State Railways: Working Expenses.
4	2,423,448	2,587,200	566,049	552,080	212,871	231,989	3,202,368	3,371,269	Interest on Debt.
5	–	–	1,677,700	1,683,456	630,925	707,404	2,308,625	2,390,860	Annuities in purchase of Railways.
6	347	400	343,631	468,936	129,228	197,051	473,206	666,387	Interest on Capital deposited by Companies.
7	600,833	721,000	–	–	–	–	600,833	721,000	Guaranteed Companies: Surplus Profits, Land, and Supervision.
8	10,648	29,900	2,696,976	2,694,920	1,014,240	1,132,432	3,721,864	3,857,252	Interest.
9	45,243	47,000	–	–	–	–	45,243	47,000	Subsidized Companies: Land, &c.
10	94,399	53,400	–	–	–	–	94,399	53,400	Miscellaneous Railway Expenditure.
11	8,394,807	8,899,600	5,284,356	5,399,392	1,987,264	2,268,876	15,666,427	16,567,868	- - - Total.
									Irrigation:
12	626,773	682,700	–	–	–	–	626,773	682,700	Major Works: Working Expenses.
13	992,591	1,019,200	–	–	–	–	992,591	1,019,200	Interest on Debt.
14	689,369	782,400	1,396	23	525	10	691,290	782,433	Minor Works and Navigation.
15	2,308,733	2,484,300	1,396	23	525	10	2,310,654	2,484,333	- - - Total.
									Buildings and Roads:
16	1,059,013	1,272,700	1,908	6,600	717	2,773	1,061,638	1,282,073	Military Works.
17	4,021,676	4,182,100	86,081	92,865	32,372	39,023	4,140,129	4,313,988	Civil Works.
18	5,080,689	5,454,800	87,989	99,465	33,089	41,796	5,201,767	5,596,061	- - - Total.
									Army Services:
19	13,771,197	14,197,900	1,786,601	1,845,256	671,879	775,394	16,229,677	16,818,550	Army: Effective.
20	849,319	865,100	1,777,565	1,897,968	668,481	797,545	3,295,365	3,560,613	Non-effective.
21	14,620,516	15,063,000	3,564,166	3,743,224	1,340,360	1,572,939	19,525,042	20,379,163	- - - Total.
22	123,110	487,100	147,170	59,766	55,346	25,115	325,626	571,981	Special Defence Works.
23	57,294,007	58,942,000	14,409,949	15,391,237	5,419,086	6,467,546	77,123,042	80,800,783	Total Expenditure, Imperial and Provincial.
24	316,482	293,700	–	–	–	–	316,482	293,700	*Add*,—Portion of Allotments to Provincial Governments not spent by them in the year.
25	*—280,817*	*—266,000*	–	–	–	–	*—280,817*	*—266,000*	*Deduct*,—Portion of Provincial Expenditure defrayed from Provincial Balances.
26	57,329,672	58,969,700	14,409,949	15,391,237	5,419,086	6,467,546	77,158,707	80,828,483	Total Expenditure charged against Revenue.
									Expenditure not charged to Revenue:
									Capital Outlay on Railways and Irrigation Works:
27	3,305,221	755,200	1,321,074	1,109,029	496,810	466,025	5,123,105	2,330,254	State Railways.
28	544,615	592,900	2,009	6,919	755	2,907	547,379	602,726	Irrigation Works.
29	3,849,836	1,348,100	1,323,083	1,115,948	497,565	468,932	5,670,484	2,932,980	
30	–	–	4,914,546	–	–	–	4,914,546	–	Capital Charge involved in Redemption of Liabilities.

* *See* foot-note to Statement, No. 2, page 7.

E. Gay, Comptroller General.
Thos. W. Keith, Accountant General.

ESTIMATE

OF

REVENUE AND EXPENDITURE

OF THE

GOVERNMENT OF INDIA,

For the Year 1887-88,

COMPARED WITH THE RESULTS OF 1886-87.

(Presented pursuant to Act 21 & 22 Vict. c. 106.)

Ordered, by The House of Commons, *to be Printed,*
14 *May* 1888.

[*Price 2d.*]

166. *Under 2 oz.*

H.—15. 6. 88.

EAST INDIA (ESTIMATE FOR 1886-87).

ESTIMATE

OF

REVENUE AND EXPENDITURE

OF THE

GOVERNMENT OF INDIA

For the Year 1886-87,

COMPARED WITH THE RESULTS OF 1885-86.

India Office,
7 June 1887.

J. A. GODLEY,
Under Secretary of State for India.

(*Presented pursuant to Act* 21 *&* 22 *Vict. c.* 106.)

Ordered, by The House of Commons, *to be Printed,*
10 *June* 1887.

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No. 1.—ABSTRACT ACCOUNT showing the ESTIMATED REVENUE

[£. 1 is recorded for every 10 rupees, in respect of

HEADS OF REVENUE.	1885-86.	ESTIMATE,* 1886-87.
PRINCIPAL HEADS OF REVENUE:	£.	£.
Land Revenue	22,592,371	22,610,500
Opium	8,942,515	8,898,900
Salt	6,345,128	6,538,600
Stamps	3,663,174	3,721,100
Excise	4,152,136	4,265,600
Provincial Rates	2,960,315	2,943,600
Customs	1,199,976	1,211,900
Assessed Taxes	503,034	1,348,100
Forest	1,086,092	1,138,600
Registration	308,006	297,900
Tributes from Native States	689,578	690,900
TOTAL £.	52,442,325	53,665,700
INTEREST £.	698,982	683,003
POST OFFICE, TELEGRAPH, AND MINT:		
Post Office	1,113,086	1,166,300
Telegraph	628,484	654,152
Mint	224,290	156,482
TOTAL £.	1,965,860	1,976,934
RECEIPTS BY CIVIL DEPARTMENTS:		
Law and Justice:		
Courts of Law	288,466	302,100
Jails	289,243	302,100
Police	321,011	321,900
Marine	200,432	170,500
Education	200,740	205,000
Medical	54,315	58,524
Scientific and other Minor Departments	73,199	94,126
TOTAL £.	1,427,406	1,454,250
MISCELLANEOUS:		
Receipts in aid of Superannuation, &c.	416,513	405,517
Stationery and Printing	55,690	97,900
Exchange	264,378	—
Miscellaneous	341,228	335,458
TOTAL £.	1,077,809	838,875
RAILWAYS:		
State Railways (Gross Earnings)	9,958,890	10,714,416
Guaranteed Companies (Net Traffic Receipts)	3,725,075	3,552,500
Subsidized Companies (Repayment of Advances of Interest)	119	—
TOTAL £.	13,684,084	14,266,916
IRRIGATION:		
Major Works:		
Direct Receipts	864,773	891,100
Portion of Land Revenue due to Irrigation	562,607	558,300
Minor Works and Navigation	160,898	145,400
TOTAL £.	1,588,278	1,594,800
BUILDINGS AND ROADS:		
Military Works	41,158	188,800
Civil Works	574,423	502,460
TOTAL £.	615,581	691,260
RECEIPTS BY MILITARY DEPARTMENT:		
Army:		
Effective	912,658	862,098
Non-effective	51,214	47,387
TOTAL £.	963,872	909,485
TOTAL REVENUE £.	74,464,197	76,081,223

* This Estimate contains, as regards the transactions in India, the figures adopted in the Financial Statement, and as regards those in England, the figures made up to 31st March, shown in the Home Accounts.

and EXPENDITURE, for 1886–87, compared with the RESULTS of 1885–86.

Transactions in *India*, including those of "Exchange."]

HEADS OF EXPENDITURE.	1885–86.	ESTIMATE,* 1886–87.
DIRECT DEMANDS ON THE REVENUES:	£.	£.
Refunds and Drawbacks	206,174	209,400
Assignments and Compensations	1,396,537	1,372,500
Charges in respect of Collection, viz.:		
Land Revenue	3,414,292	3,515,705
Opium (including cost of Production)	3,057,674	2,784,951
Salt (including cost of Production)	401,618	483,010
Stamps	147,970	147,594
Excise	124,372	117,522
Provincial Rates	47,057	47,000
Customs	130,719	133,400
Assessed Taxes	12,471	52,700
Forest	680,988	735,952
Registration	185,406	185,400
TOTAL £.	9,805,278	9,785,134
INTEREST:		
Interest on Debt, other than that charged to Railways and Irrigation Works	3,857,161	3,955,308
Interest on other Obligations	473,700	364,000
TOTAL £.	4,330,861	4,319,308
POST OFFICE, TELEGRAPH, AND MINT:		
Post Office	1,302,604	1,350,072
Telegraph	872,761	728,004
Mint	117,596	79,500
TOTAL £.	2,292,961	2,157,576
SALARIES AND EXPENSES OF CIVIL DEPARTMENTS:		
General Administration	1,732,909	1,736,143
Law and Justice:		
Courts of Law	2,602,370	2,639,868
Jails	749,914	777,400
Police	2,852,724	3,251,500
Marine (including River Navigation)	524,700	820,479
Education	1,243,097	1,292,305
Ecclesiastical	163,846	161,013
Medical	747,568	756,365
Political	1,159,723	750,541
Scientific and other Minor Departments	475,838	462,886
TOTAL £.	12,243,689	12,648,502
MISCELLANEOUS CIVIL CHARGES:		
Territorial and Political Pensions	652,742	659,664
Civil Furlough and Absentee Allowances	262,535	261,800
Superannuation Allowances and Pensions	2,901,786	2,861,382
Stationery and Printing	510,696	554,801
Exchange	—	48,000
Miscellaneous	306,839	332,424
TOTAL £.	4,634,598	4,718,071
FAMINE RELIEF AND INSURANCE:		
Famine Relief	40,695	600
Construction of Protective Railways	589,000	200,000
Construction of Protective Irrigation Works	186,807	111,300
Reduction of Debt	683,498	—
TOTAL £.	1,500,000	311,900
CONSTRUCTION OF RAILWAYS (CHARGED AGAINST REVENUE IN ADDITION TO THAT UNDER FAMINE INSURANCE) £.	632,055	187,900
RAILWAY REVENUE ACCOUNT:		
State Railways:—Working Expenses	4,902,092	5,278,000
Interest on Debt	2,663,285	3,191,920
Annuities in purchase of Railways	1,740,798	2,308,625
Interest on Capital deposited by Companies	257,834	473,259
Guaranteed Companies:—Surplus Profits, Land, and Supervision	476,682	607,000
Interest	4,231,707	3,722,216
Subsidized Companies:—Land, &c.	44,125	48,000
Miscellaneous Railway Expenditure	99,274	96,200
TOTAL £.	14,415,797	15,725,220
IRRIGATION:		
Major Works:—Working Expenses	593,150	642,600
Interest on Debt	964,847	994,300
Minor Works and Navigation	745,750	758,921
TOTAL £.	2,303,747	2,395,821
BUILDINGS AND ROADS:		
Military Works	968,920	1,130,327
Civil Works	3,516,356	4,211,087
TOTAL £.	4,485,276	5,341,414
ARMY SERVICES:		
Army:—Effective	17,038,664	15,700,758
Non-effective	3,059,115	3,306,846
TOTAL £.	20,097,779	19,007,604
TOTAL EXPENDITURE (IMPERIAL AND PROVINCIAL) £.	76,742,041	76,598,450

	1885–86.	1886–87.		
	£.	£.		
Add,—Portion of Allotments to Provincial Governments not spent by them in the Year	731,242	54,800	523,882	—577,300
Deduct,—Portion of Provincial Expenditure defrayed from Provincial Balances	—207,360	—632,100		
TOTAL EXPENDITURE CHARGED AGAINST REVENUE £.			77,265,923	76,021,150
EXPENDITURE NOT CHARGED TO REVENUE:				
Capital Outlay on Railways and Irrigation Works:				
State Railways			4,712,828	5,146,184
Irrigation Works			562,536	628,263
£.			5,275,364	5,774,447
Special Defence Works £.			—	300,169
Capital Charge involved in Redemption of Liabilities £.			1,086,045	4,914,546

ESTIMATE, 1886–87.	£.
Revenue	76,081,223
Expenditure chargeable thereon	76,021,150
Excess of Revenue over Expenditure £.	60,073

No. 2.—ACCOUNT showing the ESTIMATED REVENUE (Imperial, Provincial, compared with the

[£. 1 is recorded for every 10 rupees, in respect of

HEADS OF REVENUE.	INDIA, GENERAL.		CENTRAL PROVINCES.		BURMA.		ASSAM.	
	1885–86.	1886–87.	1885–86.	1886–87.	1885–86.	1886–87.	1885–86.	
PRINCIPAL HEADS OF REVENUE:	£.	£.	£.	£.	£.	£.	£.	
Land Revenue	113,255	110,800	605,994	612,000	1,058,357	1,410,400	422,969	1
Opium	185	200	21,933	21,900	27,631	32,000	41,946	2
Salt	1,105,965	1,559,000	30,375	56,300	19,386	27,200	–	3
Stamps	39,600	41,900	137,024	145,500	93,756	91,500	78,272	4
Excise	62,769	65,700	252,289	252,500	210,595	226,800	217,635	5
Provincial Rates	8,854	8,400	79,597	72,600	71,579	84,200	50,880	6
Customs	–	–	–	–	575,304	560,800	–	7
Assessed Taxes	106	197,000	23,207	38,400	–	–	5	8
Forest	11,829	12,600	103,690	96,000	202,386	235,500	19,665	9
Registration	1,389	1,500	7,253	7,600	2,423	2,800	3,465	10
Tributes from Native States	218,256	217,100	12,887	14,500	–	–	10	11
TOTAL £.	1,562,208	2,214,200	1,274,249	1,317,300	2,261,417	2,671,200	834,847	12
INTEREST £.	311,085	273,000	1,299	1,300	2,127	4,000	825	13
POST OFFICE, TELEGRAPH, AND MINT:								
Post Office	80,339	1,161,700	44,621	–	34,055	–	26,292	14
Telegraph	581,357	640,700	–	–	–	–	–	15
Mint	76,365	77,800	–	–	–	–	–	16
TOTAL £.	738,061	1,880,200	44,621	–	34,055	–	26,292	17
RECEIPTS BY CIVIL DEPARTMENTS:								
Law and Justice:								
Courts of Law	13,201	10,200	12,884	12,900	26,329	35,500	7,248	18
Jails	40,141	45,900	32,148	36,600	20,495	21,300	6,972	19
Police	6,698	7,300	20,042	19,200	3,905	19,800	11,836	20
Marine	81,522	57,600	–	–	27,509	21,800	325	21
Education	1,593	2,200	14,971	14,700	4,163	2,700	3,908	22
Medical	312	400	1,020	800	921	1,000	127	23
Scientific and other Minor Departments	13,423	35,900	1,310	1,400	265	1,000	5,183	24
TOTAL £.	156,890	159,500	82,375	85,600	83,587	103,100	35,599	25
MISCELLANEOUS:								
Receipts in aid of Superannuation, &c.	115,007	111,900	1,980	2,700	1,910	2,500	1,481	26
Stationery and Printing	6,757	37,200	1,872	2,500	501	2,100	280	27
Exchange	264,378	–	–	–	–	–	–	28
Miscellaneous	42,880	26,300	9,174	8,300	11,530	26,700	4,678	29
TOTAL £.	429,022	175,400	13,026	13,500	13,941	31,300	6,439	30
RAILWAYS:								
State Railways (Gross Earnings)	6,410,358	6,420,100	214,394	211,500	233,585	285,000	3,625	31
Guaranteed Companies (Net Traffic Receipts).	3,725,075	3,552,500	–	–	–	–	–	32
Subsidized Companies (Repayment of Advances of Interest).	–	–	–	–	–	–	–	33
TOTAL £.	10,135,433	9,972,600	214,394	211,500	233,585	285,000	3,625	34
IRRIGATION:								
Major Works: Direct Receipts	–	–	–	–	–	–	–	35
Portion of Land Revenue due to Irrigation.	–	–	–	–	–	–	–	36
Minor Works and Navigation	1,441	1,500	–	–	3,820	3,400	–	37
TOTAL £.	1,441	1,500	–	–	3,820	3,400	–	38
BUILDINGS AND ROADS:								
Military Works	22,782	173,500	247	200	833	700	277	39
Civil Works	9,408	9,600	15,737	14,400	10,295	11,100	13,375	40
TOTAL £.	32,190	183,100	15,984	14,600	11,128	11,800	13,652	41
RECEIPTS BY MILITARY DEPARTMENT:								
Army: Effective	471,680	472,900	–	–	–	–	–	42
Non-Effective	22,953	23,000	–	–	–	–	–	43
TOTAL £.	494,633	495,900	–	–	–	–	–	44
TOTAL REVENUE £.	13,860,963	15,355,400	1,645,948	1,643,800	2,643,660	3,109,800	921,279	45

and Local) in each of the PROVINCES of *British India*, and in *England*, for 1886–87, RESULTS of 1885–86.

Transactions in *India*, including those of "Exchange."]

	ASSAM.	BENGAL.		NORTH WESTERN PROVINCES and OUDH.		CARRIED FORWARD.		HEADS OF REVENUE.
	1886-87.	1885-86.	1886-87.	1885-86.	1886-87.	1885-86.	1886-87.	
	£.	£.	£.	£.	£.	£.	£.	PRINCIPAL HEADS OF REVENUE:
1	415,600	3,856,175	3,825,000	5,684,484	5,720,000	11,741,234	12,093,800	Land Revenue.
2	42,500	6,356,403	6,207,900	42,521	44,000	6,490,619	6,348,500	Opium.
3	–	1,909,968	1,927,100	–	–	3,065,694	3,569,600	Salt.
4	75,000	1,325,806	1,331,700	621,798	630,000	2,296,256	2,315,600	Stamps.
5	222,600	958,469	990,000	535,891	565,000	2,237,648	2,322,600	Excise.
6	50,900	790,856	790,000	659,375	666,000	1,661,141	1,672,100	Provincial Rates.
7	–	325,882	304,700	–	–	901,186	865,500	Customs.
8	19,000	153,385	361,400	119,326	220,000	296,029	835,800	Assessed Taxes.
9	20,800	59,743	63,600	146,149	149,600	543,462	578,100	Forest.
10	3,800	109,386	105,000	35,007	34,000	158,923	154,700	Registration.
11	–	–	–	–	–	231,153	231,600	Tributes from Native States.
12	850,200	15,846,073	15,906,400	7,844,551	8,028,600	29,623,345	30,987,900	TOTAL.
13	400	87,534	77,700	20,155	17,000	423,025	373,400	INTEREST.
								POST OFFICE, TELEGRAPH, AND MINT:
14	–	246,116	1,300	153,373	–	584,796	1,163,000	Post Office.
15	–	5	100	–	–	581,362	640,800	Telegraph.
16	–	–	–	–	–	76,365	77,800	Mint.
17	–	246,121	1,400	153,373	–	1,242,523	1,881,600	TOTAL.
								RECEIPTS BY CIVIL DEPARTMENTS:
								Law and Justice:
18	7,500	74,086	76,900	53,436	51,600	187,184	194,600	Court of Law.
19	7,600	78,677	78,600	43,918	47,400	222,351	237,400	Jails.
20	10,600	69,063	72,000	36,707	35,500	148,251	164,490	Police.
21	200	85,100	85,000	–	–	194,456	164,600	Marine.
22	4,000	52,431	52,500	17,248	25,000	94,314	101,100	Education.
23	100	14,627	13,100	10,201	9,500	27,208	24,900	Medical.
24	4,500	14,720	14,400	9,142	9,500	44,043	66,700	Scientific and other Minor Departments.
25	34,500	388,704	392,500	170,652	178,500	917,807	953,700	TOTAL.
								MISCELLANEOUS:
26	1,600	20,999	23,000	13,455	16,000	154,832	157,700	Receipts in aid of Superannuations &c.
27	400	19,397	20,800	4,289	6,000	33,096	69,000	Stationery and Printing.
28	–	–	–	–	–	264,378		Exchange.
29	5,000	88,380	85,000	36,005	40,400	192,647	191,700	Miscellaneous.
30	7,000	128,776	128,800	53,749	62,400	644,953	418,400	TOTAL.
								RAILWAYS:
31	4,500	956,996	1,111,400	108,862	153,800	7,927,820	8,186,300	State Railways (Gross Earnings).
32	–	–	–	–	–	3,725,075	3,552,500	Guaranteed Companies (Net Traffic Receipts).
33	–	–	–	119	–	119	–	Subsidized Companies (Repayment of Advances of Interest).
34	4,500	956,996	1,111,400	108,981	153,800	11,653,014	11,738,800	TOTAL.
								IRRIGATION:
35	–	158,493	133,000	438,378	446,500	596,871	579,500	Major Works: Direct Receipts.
36	–	–	–	87,237	87,200	87,237	87,200	Portion of Land Revenue due to Irrigation.
37	–	105,352	87,500	12,726	13,800	123,339	106,200	Minor Works and Navigation.
38	–	263,845	220,500	538,341	547,500	807,447	772,900	TOTAL.
								BUILDINGS AND ROADS:
39	300	811	700	88	100	25,038	175,500	Military Works.
40	12,600	74,734	64,300	114,838	101,500	238,387	213,500	Civil Works.
41	12,900	75,545	65,000	114,926	101,600	263,425	389,000	TOTAL.
								RECEIPTS BY MILITARY DEPARTMENT:
42	–	–	–	–	–	471,680	472,900	Army: Effective.
43	–	–	–	–	–	22,953	23,000	Non-effective.
44	–	–	–	–	–	494,633	495,900	TOTAL.
45	909,500	17,993,594	17,903,700	9,004,728	9,089,400	46,070,172	48,011,600	TOTAL REVENUE.

No. 2.—ACCOUNT showing the Estimated Revenue (Imperial, Provincial, and Local) in each of the Provinces

[£. 1 is recorded for every 10 rupees, in respect of

HEADS OF REVENUE.	BROUGHT FORWARD.		PUNJAB.		MADRAS.		BOMBAY.		
	1885–86.	1886–87.	1885–86.	1886–87.	1885–86.	1886–87.	1885–86.	1886–87.	
PRINCIPAL HEADS OF REVENUE:	£.	£.	£.	£.	£.	£.	£.	£.	
Land Revenue	11,741,234	12,093,800	2,128,840	2,114,000	4,521,222	4,871,300	4,201,075	4,031,400	1
Opium	6,490,619	6,348,500	–	2,900	–	–	2,451,896	2,547,500	2
Salt	3,065,694	3,569,600	–	–	1,448,227	1,409,000	1,831,207	1,560,000	3
Stamps	2,296,256	2,315,600	333,907	347,500	589,950	580,000	443,061	478,000	4
Excise	2,237,648	2,322,600	130,984	136,000	882,992	897,000	900,512	910,000	5
Provincial Rates	1,661,141	1,672,100	360,293	375,000	681,984	639,100	256,897	257,100	6
Customs	901,186	865,500	–	–	93,366	128,400	205,424	218,000	7
Assessed Taxes	296,029	335,800	37,999	93,900	43,368	123,400	125,688	295,000	8
Forest	543,462	573,100	85,042	106,000	119,865	140,300	336,629	314,200	9
Registration	158,923	154,700	17,862	18,400	92,635	87,000	38,586	37,800	10
Tributes from Native States	231,153	231,600	28,107	28,100	344,643	344,600	85,675	86,600	11
TOTAL £.	29,623,345	30,987,900	3,123,034	3,221,800	8,818,252	8,720,400	10,876,600	10,735,600	12
INTEREST £.	423,025	373,400	17,718	18,400	63,929	54,000	182,298	180,300	13
POST OFFICE, TELEGRAPH, AND MINT:									
Post Office	584,796	1,163,000	161,776	3,100	176,959	–	189,553	200	14
Telegraph	581,362	640,800	–	–	–	–	369	200	15
Mint	76,365	77,800	–	–	–	100	147,925	78,500	16
TOTAL £.	1,242,523	1,881,600	161,776	3,100	176,959	100	337,849	78,900	17
RECEIPTS BY CIVIL DEPARTMENTS:									
Law and Justice:									
Courts of Law	187,184	194,600	33,794	36,000	37,022	39,500	30,466	32,000	18
Jails	222,351	237,400	28,488	27,000	16,908	16,500	21,496	21,200	19
Police	148,251	164,400	68,048	63,800	30,703	37,200	74,009	56,500	20
Marine	194,456	164,600	–	–	402	500	5,574	5,400	21
Education	94,314	101,100	8,455	9,100	29,345	26,800	68,626	68,000	22
Medical	27,208	24,900	3,953	4,500	12,825	13,700	6,993	12,000	23
Scientific and other Minor Departments	44,043	66,700	8,741	7,200	17,071	16,000	3,164	3,400	24
TOTAL £.	917,807	953,700	151,479	147,600	144,276	150,200	210,328	198,500	25
MISCELLANEOUS:									
Receipts in aid of Superannuation, &c.	154,832	157,700	10,034	11,300	37,446	46,600	49,421	48,500	26
Stationery and Printing	33,096	69,000	5,963	14,000	10,376	8,600	6,255	6,300	27
Exchange	264,378	–	–	–	–	–	–	–	28
Miscellaneous	192,647	191,700	32,521	32,500	62,530	51,900	45,251	49,900	29
TOTAL £.	644,953	418,400	48,518	57,800	110,352	107,100	100,927	104,700	30
RAILWAYS:									
State Railways (Gross Earnings)	7,927,820	8,186,300	1,837,208	2,322,000	–	–	193,560	205,800	31
Guaranteed Companies (Net Traffic Receipts).	3,725,075	3,552,500	–	–	–	–	–	–	32
Subsidized Companies (Repayment of Advances of Interest).	119	–	–	–	–	–	–	–	33
TOTAL £.	11,653,014	11,738,800	1,837,208	2,322,000	–	–	193,560	205,800	34
IRRIGATION:									
Major Works: Direct Receipts	596,871	579,500	215,061	256,300	23,730	22,100	29,111	33,200	35
Portion of Land Revenue due to Irrigation.	87,237	87,200	41,041	46,000	380,520	356,700	53,809	68,400	36
Minor Works and Navigation	123,339	106,200	16,942	17,600	7,702	8,000	12,915	13,600	37
TOTAL £.	807,447	772,900	273,044	319,900	411,952	386,800	95,835	115,200	38
BUILDINGS AND ROADS:									
Military Works	25,038	175,500	707	700	2,588	1,600	12,825	11,000	39
Civil Works	238,387	213,500	59,068	51,900	85,823	88,200	165,177	118,200	40
TOTAL £.	263,425	389,000	59,775	52,600	88,411	89,800	178,002	129,200	41
RECEIPTS BY MILITARY DEPARTMENT:									
Army: Effective	471,680	472,900	–	–	178,686	168,500	188,444	155,800	42
Non-effective	22,953	23,000	–	–	14,153	8,400	10,037	10,100	43
TOTAL £.	494,633	495,900	–	–	192,839	176,900	198,481	165,900	44
TOTAL REVENUE £.	46,070,172	48,011,600	5,672,552	6,143,200	10,006,970	9,685,300	12,373,880	11,914,100	45

of *British India*, and in *England*, for 1886–87, compared with the Results of 1885–86—*continued*.

Transactions in *India*, including those of "Exchange."]

	Total India.		England.		Exchange.*		Grand Total.		Heads of Revenue.
	1885–86.	1886–87.	1885–86.	1886–87.	1885–86.	1886–87.	1885–86.	1886–87.	
	£.	£.	£.	£.	£.	£.	£.	£.	Principal Heads of Revenue:
1	22,592,371	22,610,500	–	–	–	–	22,592,371	22,610,500	Land Revenue.
2	8,942,515	8,898,900	–	–	–	–	8,942,515	8,898,900	Opium.
3	6,345,128	6,538,600	–	–	–	–	6,345,128	6,538,600	Salt.
4	3,663,174	3,721,100	–	–	–	–	3,663,174	3,721,100	Stamps.
5	4,152,136	4,265,600	–	–	–	–	4,152,136	4,265,600	Excise.
6	2,960,315	2,943,600	–	–	–	–	2,960,315	2,943,600	Provincial Rates.
7	1,199,976	1,211,900	–	–	–	–	1,199,976	1,211,900	Customs.
8	503,034	1,348,100	–	–	–	–	503,034	1,348,100	Assessed Taxes.
9	1,084,998	1,138,600	832	–	262	–	1,086,092	1,138,600	Forest.
10	308,006	297,900	–	–	–	–	308,006	297,900	Registration.
11	689,578	690,900	–	–	–	–	689,578	690,900	Tributes from Native States.
12	52,441,231	53,665,700	832	–	262	–	52,442,325	53,665,700	- - - Total.
13	686,970	626,100	9,136	41,352	2,876	15,551	698,982	683,003	Interest.
									Post Office, Telegraph, and Mint:
14	1,113,086	1,166,300	–	–	–	–	1,113,086	1,166,300	Post Office.
15	581,731	641,000	35,560	9,558	11,193	3,594	628,484	654,152	Telegraph.
16	224,290	156,400	–	60	–	22	224,290	156,482	Mint.
17	1,919,107	1,963,700	35,560	9,618	11,193	3,616	1,965,860	1,976,934	- - - Total.
									Receipts by Civil Departments:
									Law and Justice:
18	288,466	302,100	–	–	–	–	288,466	302,100	Courts of Law.
19	289,243	302,100	–	–	–	–	289,243	302,100	Jails.
20	321,011	321,900	–	–	–	–	321,011	321,900	Police.
21	200,432	170,500	–	–	–	–	200,432	170,500	Marine.
22	200,740	205,000	–	–	–	–	200,740	205,000	Education.
23	50,979	55,100	2,537	2,488	799	936	54,315	58,524	Medical.
24	73,019	93,300	137	600	43	226	73,199	94,126	Scientific and other Minor Departments.
25	1,423,890	1,450,000	2,674	3,088	842	1,162	1,427,406	1,454,250	- - - Total.
									Miscellaneous:
26	251,733	264,100	125,330	102,769	39,450	38,648	416,513	405,517	Receipts in aid of Superannuation, &c.
27	55,690	97,900	–	–	–	–	55,690	97,900	Stationery and Printing.
28	264,378	–	–	–	–	–	264,378	–	Exchange.
29	332,949	326,000	6,297	6,873	1,982	2,585	341,228	335,458	Miscellaneous.
30	904,750	688,000	131,627	109,642	41,432	41,233	1,077,809	838,875	- - - Total.
									Railways:
31	9,958,588	10,714,100	230	230	72	86	9,958,890	10,714,416	State Railways (Gross Earnings).
32	3,725,075	3,552,500	–	–	–	–	3,725,075	3,552,500	Guaranteed Companies (Net Traffic Receipts).
33	119	–	–	–	–	–	119	–	Subsidized Companies (Repayment of Advances of Interest).
34	13,683,782	14,266,600	230	230	72	86	13,684,084	14,266,916	- - - Total.
									Irrigation:
35	864,773	891,100	–	–	–	–	864,773	891,100	Major Works: Direct Receipts.
36	562,607	558,300	–	–	–	–	562,607	558,300	Portion of Land Revenue due to Irrigation.
37	160,898	145,400	–	–	–	–	160,898	145,400	Minor Works and Navigation.
38	1,588,278	1,594,800	–	–	–	–	1,588,278	1,594,800	- - - Total.
									Buildings and Roads:
39	41,158	188,800	–	–	–	–	41,158	188,800	Military Works.
40	548,455	471,800	19,751	22,281	6,217	8,379	574,423	502,460	Civil Works.
41	589,613	660,600	19,751	22,281	6,217	8,379	615,581	691,260	- - - Total.
									Receipts by Military Department:
42	838,810	797,200	56,168	47,162	17,680	17,736	912,658	862,098	Army: Effective.
43	47,143	41,500	3,096	4,278	975	1,609	51,214	47,387	Non-effective.
44	885,953	838,700	59,264	51,440	18,655	19,345	963,872	909,485	- - - Total.
45	74,123,574	75,754,200	259,074	237,651	81,549	89,372	74,464,197	76,081,223	- - - TOTAL REVENUE.

* The Columns headed "Exchange" show, under the several heads of Revenue and Expenditure which include transactions in England, the Exchange thereon calculated in accordance with the average rate obtained for Bills and Telegraphic Transfers sold during the year.

No. 3.—ACCOUNT showing the ESTIMATED EXPENDITURE (Imperial, Provincial, compared with the

[£. 1 is recorded for every 10 rupees, in respect of

HEADS OF EXPENDITURE.	INDIA, GENERAL.		CENTRAL PROVINCES.		BURMA.		ASSAM.	
	1885-86.	1886-87.	1885-86.	1886-87.	1885-86.	1886-87.	1885-86.	
DIRECT DEMANDS ON THE REVENUES:	£.	£.	£.	£.	£.	£.	£.	
Refunds and Drawbacks	1,123	7,100	2,718	1,900	16,343	17,100	1,821	1
Assignments and Compensations	310,928	311,300	12,437	6,300	–	–	3,152	2
Charges in respect of Collection, viz.:								
Land Revenue	47,929	51,800	120,111	141,700	203,961	245,300	93,506	3
Opium (including cost of Production)	1,317	1,400	–	–	–	–	–	4
Salt (including cost of Production)	122,043	159,100	–	–	280	300	–	5
Stamps	*—40,153*	*—44,200*	4,510	3,800	2,302	2,500	3,442	6
Excise	1,291	1,500	6,830	7,100	4,265	3,100	646	7
Provincial Rates	–	–	–	–	3,655	4,400	520	8
Customs	–	–	–	–	17,211	17,300	–	9
Assessed Taxes	–	100	29	200	–	–	–	10
Forest	19,081	21,400	44,469	51,300	114,675	112,900	21,099	11
Registration	615	700	4,058	4,200	1,390	1,600	1,906	12
TOTAL £.	464,174	501,200	195,162	216,500	364,082	404,500	126,092	13
INTEREST:								
Interest on Debt,* other than that charged to Railways and Irrigation Works.	656,803	375,600	772	900	–	–	29	14
Interest on other obligations	264,505	300,300	1,425	400	704	300	597	15
TOTAL £.	921,308	675,900	2,197	1,300	704	300	626	16
POST OFFICE, TELEGRAPH, AND MINT:								
Post Office	81,147	1,079,600	43,737	5,300	38,337	11,600	30,471	17
Telegraph	520,011	573,700	–	–	–	–	–	18
Mint	47,860	35,400	–	–	–	–	–	19
TOTAL £.	649,018	1,688,700	43,737	5,300	38,337	11,600	30,471	20
SALARIES AND EXPENSES OF CIVIL DEPARTMENTS:								
General Administration	468,118	435,900	42,459	46,200	50,931	78,200	22,496	21
Law and Justice:								
Courts of Law	22,923	22,600	69,699	71,800	114,862	155,800	50,553	22
Jails	142,410	136,300	49,160	57,400	64,242	74,500	10,376	23
Police	52,268	55,500	137,593	139,600	240,623	625,000	93,549	24
Marine (including River Navigation)	209,244	374,500	–	–	28,560	28,000	7,344	25
Education	17,671	16,700	61,270	67,200	46,960	47,700	30,780	26
Ecclesiastical	17,458	16,900	4,397	4,600	6,302	6,800	1,947	27
Medical	18,411	16,100	31,201	31,800	23,175	30,300	17,150	28
Political	873,037	477,200	1,251	1,700	3,058	27,200	5,969	29
Scientific and other Minor Departments	258,833	274,100	7,730	6,400	8,661	6,600	6,172	30
TOTAL £.	2,080,373	1,825,800	404,760	426,700	587,374	1,080,100	246,336	31
MISCELLANEOUS CIVIL CHARGES:								
Territorial and Political Pensions	165,233	164,900	32,142	30,800	3,042	18,100	2,647	32
Civil Furlough and Absentee Allowances	293	200	–	–	–	–	–	33
Superannuation Allowances and Pensions	96,163	72,300	14,628	15,600	17,422	20,700	5,739	34
Stationery and Printing	*—71,481*	*—76,200*	14,284	15,200	17,375	21,600	5,990	35
Exchange	–	48,000	–	–	–	–	–	36
Miscellaneous	31,478	52,200	6,141	6,300	6,841	20,600	7,230	37
TOTAL £.	221,736	261,400	67,195	67,900	44,680	81,000	21,606	38
FAMINE RELIEF AND INSURANCE:								
Famine Relief	–	–	–	–	–	–	–	39
Construction of Protective Railways	–	200,000	–	–	–	–	–	40
Construction of Protective Irrigation Works.	–	–	–	–	–	–	–	41
Reduction of Debt	683,498	–	–	–	–	–	–	42
TOTAL £.	683,498	200,000	–	–	–	–	–	43
Carried forward to page 12	5,020,107	5,153,000	713,051	717,700	1,035,177	1,577,500	425,131	44
* The "Interest on Debt" is distributed as follows:—								
Interest on Debt (other than that charged to Railways and Irrigation Works) as above.	656,803	375,600	772	900	–	–	29	
Under Railway Revenue Account	1,800,820	2,017,100	41,221	43,300	111,973	109,300	–	
Under Irrigation	486,558	507,400	–	–	–	–	–	
TOTAL £.	2,944,181	2,900,100	41,993	44,200	111,973	109,300	29	

and Local) in each of the PROVINCES of *British India*, and in *England*, for 1886-87, RESULTS of 1885-86.

Transactions in *India*, including those of "Exchange."]

	ASSAM.	BENGAL.		NORTH WESTERN PROVINCES and OUDH.		CARRIED FORWARD.		HEADS OF EXPENDITURE.
	1886-87.	1885-86.	1886-87.	1885-86.	1886-87.	1885-86.	1886-87.	
	£.	£.	£.	£.	£.	£.	£.	DIRECT DEMANDS ON THE REVENUES:
1	2,600	57,061	55,000	18,548	16,000	97,614	99,700	Refunds and Drawbacks.
2	3,800	6,287	16,600	6,340	7,200	339,144	345,200	Assignments and Compensations.
								Charges in respect of Collection, viz.:—
3	95,000	351,691	358,400	815,158	841,900	1,632,356	1,734,100	Land Revenue.
4	–	3,047,429	2,778,400	–	–	3,048,746	2,779,800	Opium (including cost of Production).
5	–	3,674	1,200	–	–	125,997	151,600	Salt (including cost of Production).
6	3,400	49,243	50,600	14,415	17,900	33,759	34,000	Stamps.
7	400	32,264	38,000	10,633	11,500	55,929	61,600	Excise.
8	500	20,675	19,000	648	700	25,498	24,600	Provincial Rates.
9	–	49,016	51,000	–	–	66,227	68,300	Customs.
10	700	9,044	28,000	631	5,000	9,704	34,000	Assessed Taxes.
11	21,500	37,037	43,600	97,181	96,200	333,542	346,900	Forest.
12	2,200	60,137	56,700	19,307	18,800	87,413	84,200	Registration.
13	130,100	3,723,558	3,496,500	982,861	1,015,200	5,855,929	5,764,000	- - - TOTAL.
								INTEREST:
14	100	906	1,000	2,241	1,200	660,751	378,800	Interest on Debt,* other than that charged to Railways and Irrigation Works.
15	–	16,657	12,300	3,301	800	287,189	314,100	Interest on other Obligations.
16	100	17,563	13,300	5,542	2,000	947,940	692,900	- - - TOTAL.
								POST OFFICE, TELEGRAPH, AND MINT:
17	3,600	387,631	34,200	145,423	19,200	726,746	1,153,500	Post Office.
18	–	64	100	–	–	520,075	573,800	Telegraph.
19	–	–	–	–	–	47,860	35,400	Mint.
20	3,600	387,695	34,300	145,423	19,200	1,294,681	1,762,700	- - - TOTAL.
								SALARIES AND EXPENSES OF CIVIL DEPARTMENTS:
21	23,400	198,241	200,000	161,704	159,800	943,949	943,500	General Administration.
22	51,300	799,627	802,100	428,440	422,000	1,486,104	1,525,600	Law and Justice:
23	10,900	174,316	175,000	96,130	99,400	536,634	553,500	Courts of Law.
24	94,000	486,531	482,200	635,847	625,500	1,646,411	2,021,800	Jails.
25	5,700	82,907	86,200	–	–	328,055	494,400	Police.
26	32,500	329,453	337,000	172,040	174,000	658,174	675,100	Marine (including River Navigation).
27	2,000	19,899	19,000	24,756	25,200	74,759	74,500	Education.
28	18,200	143,974	146,000	109,494	110,000	343,405	352,400	Ecclesiastical.
29	4,700	2,940	3,500	12,789	11,500	899,044	525,800	Medical.
30	2,700	38,889	32,500	31,535	19,900	351,811	342,200	Political.
								Scientific and other Minor Departments.
31	245,400	2,276,768	2,283,500	1,672,735	1,647,300	7,268,346	7,508,800	- - - TOTAL.
								MISCELLANEOUS CIVIL CHARGES:
32	2,000	100,598	97,500	87,501	81,000	391,163	394,300	Territorial and Political Pensions.
33	–	2,643	3,500	90	100	3,026	3,800	Civil Furlough and Absentee Allowances.
34	6,300	125,239	127,000	132,286	138,000	391,477	379,900	Superannuation Allowances and Pensions.
35	6,000	183,782	193,700	55,540	53,500	205,540	213,800	Stationery and Printing.
36	–	–	–	–	–	–	48,000	Exchange.
37	5,300	52,604	43,100	20,432	28,000	124,726	155,500	Miscellaneous.
38	19,600	464,866	464,800	295,849	300,600	1,115,932	1,195,300	- - - TOTAL.
								FAMINE RELIEF AND INSURANCE:
39	–	12,384	–	–	–	12,384	–	Famine Relief.
40	–	250,000	–	–	–	250,000	200,000	Construction of Protective Railways.
41	–	8,200	8,400	52,801	10,900	61,001	19,300	Construction of Protective Irrigation Works.
42	–	–	–	–	–	683,498	–	Reduction of Debt.
43	–	270,584	8,400	52,801	10,900	1,006,883	219,300	- - - TOTAL.
44	398,800	7,141,034	6,300,800	3,155,211	2,995,200	17,489,711	17,143,000	Carried forward to page 13.

* The "Interest on Debt" is distributed as follows:—

	100	906	1,000	2,241	1,200	660,751	378,800	Interest on Debt (other than that charged to Railways and Irrigation Works) as above.
	–	190,731	206,300	17,310	17,100	2,162,055	2,393,100	Under Railway Revenue Account.
	–	224,919	227,700	253,370	259,200	964,847	994,300	Under Irrigation.
	100	416,556	435,000	272,921	277,500	3,787,653	3,766,200	- - - TOTAL.

No. 3.—ACCOUNT showing the Estimated Expenditure (Imperial, Provincial, and Local) in each of the

[£. 1 is recorded for every 10 rupees, in respect of

HEADS OF EXPENDITURE.	BROUGHT FORWARD.		PUNJAB.		MADRAS.		BOMBAY.		
	1885-86.	1886-87.	1885-86.	1886-87.	1885-86.	1886-87.	1885-86.	1886-87.	
DIRECT DEMANDS ON THE REVENUES:	£.	£.	£.	£.	£.	£.	£.	£.	
Refunds and Drawbacks	97,614	99,700	9,982	12,500	25,263	30,000	73,315	67,200	1
Assignments and Compensations	339,144	345,200	19,210	18,600	117,316	115,400	920,867	893,300	2
Charges in respect of Collection, viz.:									
Land Revenue	1,632,356	1,734,100	326,312	342,500	767,707	770,000	687,480	667,600	3
Opium (including cost of Production)	3,048,746	2,779,800	–	–	–	–	2,735	2,600	4
Salt (including cost of Production)	125,997	151,600	–	–	126,199	139,600	147,158	191,800	5
Stamps	33,759	34,000	14,369	15,900	16,002	16,400	20,017	20,100	6
Excise	55,929	61,600	5,820	5,800	35,338	25,400	26,120	24,500	7
Provincial Rates	25,498	24,600	15,977	16,800	–	–	5,582	5,600	8
Customs	66,227	68,300	–	–	16,536	16,400	47,956	48,700	9
Assessed Taxes	9,704	34,000	112	3,500	666	6,800	1,989	8,400	10
Forest	333,542	346,900	67,539	68,500	93,074	120,300	182,954	196,900	11
Registration	87,413	84,200	9,903	10,100	58,095	61,400	29,995	29,700	12
TOTAL £.	5,855,929	5,764,000	469,224	494,200	1,256,196	1,301,700	2,146,168	2,156,400	13
INTEREST:									
Interest on Debt,* other than that charged to Railways and Irrigation Works.	660,751	378,800	1,050	1,100	831	800	1,018	1,000	14
Interest on other Obligations	287,189	314,100	4,142	3,200	98,586	6,400	83,395	40,000	15
TOTAL £.	947,940	692,900	5,192	4,300	99,417	7,200	84,413	41,000	16
POST OFFICE, TELEGRAPH, AND MINT:									
Post Office	726,746	1,153,500	138,357	14,000	123,654	10,700	175,613	10,700	17
Telegraph	520,075	573,800	–	–	–	–	510	400	18
Mint	47,860	35,400	–	–	–	–	40,467	34,900	19
TOTAL £.	1,294,681	1,762,700	138,357	14,000	123,654	10,700	216,590	46,000	20
SALARIES AND EXPENSES OF CIVIL DEPARTMENTS:									
General Administration	943,949	943,500	122,379	122,300	148,036	147,700	173,310	181,000	21
Law and Justice:									
Courts of Law	1,486,104	1,525,600	276,548	276,700	390,391	390,900	447,869	445,200	22
Jails	536,634	553,500	72,093	78,000	79,860	85,500	61,327	60,400	23
Police	1,646,411	2,021,800	328,811	331,000	380,751	388,800	496,751	509,900	24
Marine (including River Navigation)	328,055	494,400	–	–	2,278	1,900	6,136	7,000	25
Education	658,174	675,100	118,808	134,500	199,629	195,500	265,985	286,600	26
Ecclesiastical	74,759	74,500	21,827	21,200	33,938	33,500	32,521	31,400	27
Medical	343,405	352,400	79,928	80,900	169,468	165,000	143,372	148,200	28
Political	899,044	525,800	105,300	72,000	22,699	20,600	80,478	91,100	29
Scientific and other Minor Departments	351,811	342,200	22,150	20,800	39,253	42,300	40,916	28,600	30
TOTAL £.	7,268,346	7,508,800	1,147,844	1,137,400	1,466,303	1,471,700	1,748,665	1,789,400	31
MISCELLANEOUS CIVIL CHARGES:									
Territorial and Political Pensions	391,163	394,300	44,105	45,000	100,629	112,200	87,839	83,000	32
Civil Furlough and Absentee Allowances	3,026	3,800	–	–	219	100	1,344	200	33
Superannuation Allowances and Pensions	391,477	379,900	61,471	65,500	337,991	111,900	130,734	135,500	34
Stationery and Printing	205,540	213,800	41,200	41,500	102,453	104,700	63,504	68,700	35
Exchange	–	48,000	–	–	–	–	–	–	36
Miscellaneous	124,726	155,500	13,124	16,200	79,090	74,600	48,644	44,300	37
TOTAL £.	1,115,932	1,195,300	159,900	168,200	620,382	403,500	332,065	331,700	38
FAMINE RELIEF AND INSURANCE:									
Famine Relief	12,384	–	37	–	27,814	600	460	–	39
Construction of Protective Railways	250,000	200,000	–	–	339,000	–	–	–	40
Construction of Protective Irrigation Works.	61,001	19,300	11,964	11,200	34,320	39,000	79,522	41,800	41
Reduction of Debt	683,498	–	–	–	–	–	–	–	42
TOTAL £.	1,006,883	219,300	12,001	11,200	401,134	39,600	79,982	41,800	43
Carried forward to page 14 £.	17,489,711	17,143,000	1,932,518	1,829,300	3,967,086	3,234,400	4,607,883	4,406,300	44

* The "Interest on Debt" is distributed as follows:—

Interest on Debt (other than that charged to Railways and Irrigation Works) as above.	660,751	378,800	1,050	1,100	831	800	1,018	1,000	
Under Railway Revenue Account	2,162,055	2,393,100	19,820	19,900	–	–	–	–	
Under Irrigation	964 847	994,300	–	–	–	–	–	–	
TOTAL £.	3,787,653	3,766,200	20,870	21,000	831	800	1,018	1,000	

Provinces of *British India*, and in *England*, for 1886-87, compared with the Results of 1885-86 —*continued.*
Transactions in *India*, including those of "Exchange."]

	Total, India.		England.		Exchange.†		Grand Total.		Heads of Expenditure.
	1885-86.	1886-87.	1885-86.	1886-87.	1885-86.	1886-87.	1885-86.	1886-87.	
	£.	£.	£.	£.	£.	£.	£.	£.	Direct Demands on the Revenues:
1	206,174	209,400	–	–	–	–	206,174	209,400	Refunds and Drawbacks.
2	1,396,537	1,372,500	–	–	–	–	1,396,537	1,372,500	Assignments and Compensations.
									Charges in respect of Collection, viz.:
3	3,413,855	3,514,200	332	1,094	105	411	3,414,292	3,515,705	Land Revenue.
4	3,051,481	2,782,400	4,710	1,854	1,483	697	3,057,674	2,784,951	Opium (including cost of Production).
5	399,354	483,000	1,722	7	542	3	401,618	483,010	Salt (including cost of Production).
6	84,147	86,400	48,543	44,470	15,280	16,724	147,970	147,594	Stamps.
7	123,207	117,300	886	161	279	61	124,372	117,522	Excise.
8	47,057	47,000	–	–	–	–	47,057	47,000	Provincial Rates.
9	130,719	133,400	–	–	–	–	130,719	133,400	Customs.
10	12,471	52,700	–	–	–	–	12,471	52,700	Assessed Taxes.
11	677,109	732,600	2,950	2,436	929	916	680,988	735,952	Forest.
12	185,406	185,400	–	–	–	–	185,406	185,400	Registration.
13	9,727,517	9,716,300	59,143	50,022	18,618	18,812	9,805,278	9,785,134	- - - Total.
									Interest:
14	663,650	381,700	2,428,948	2,596,975	764,563	976,633	3,857,161	3,955,308	Interest on Debt,* other than that charged to Railways and Irrigation Works.
15	473,312	363,700	295	218	93	82	473,700	364,000	Interest on other Obligations.
16	1,136,962	745,400	2,429,243	2,597,193	764,656	976,715	4,330,861	4,319,308	- - - Total.
									Post Office, Telegraph, and Mint:
17	1,164,370	1,188,900	105,139	117,125	33,095	44,047	1,302,604	1,350,072	Post Office.
18	520,585	574,200	267,861	111,771	84,315	42,033	872,761	728,004	Telegraph.
19	88,327	70,300	22,262	6,686	7,007	2,514	117,596	79,500	Mint.
20	1,773,282	1,833,400	395,262	235,582	124,417	88,594	2,292,961	2,157,576	- - - Total.
									Salaries and Expenses of Civil Departments:
21	1,387,674	1,394,500	262,582	248,275	82,653	93,368	1,732,909	1,736,143	General Administration.
									Law and Justice:
22	2,600,912	2,638,400	1,109	1,067	349	401	2,602,370	2,639,868	Courts of Law.
23	749,914	777,400	–	–	–	–	749,914	777,400	Jails.
24	2,852,724	3,251,500	–	–	–	–	2,852,724	3,251,500	Police.
25	336,469	503,300	143,166	230,497	45,065	86,682	524,700	820,479	Marine (including River Navigation).
26	1,242,596	1,291,700	381	440	120	165	1,243,097	1,292,305	Education.
27	163,045	160,600	609	300	192	113	163,846	161,013	Ecclesiastical.
28	736,173	748,500	8,667	7,169	2,728	2,696	747,568	756,365	Medical.
29	1,107,521	709,500	32,859	29,825	10,343	11,216	1,150,723	750,541	Political.
30	454,130	433,900	16,511	21,066	5,197	7,922	475,838	462,888	Scientific and other Minor Departments.
31	11,631,158	11,907,300	465,884	538,639	146,647	202,563	12,243,689	12,648,502	- - - Total.
									Miscellaneous Civil Charges:
32	623,736	634,500	22,062	18,287	6,944	6,877	652,742	659,664	Territorial and Political Pensions.
33	4,589	4,100	196,191	187,273	61,755	70,427	262,535	261,800	Civil Furlough and Absentee Allowances.
34	921,673	692,800	1,506,051	1,575,929	474,062	592,653	2,901,786	2,861,382	Superannuation Allowances and Pensions.
35	412,697	428,700	74,537	91,639	23,462	34,462	510,696	554,801	Stationery and Printing.
36	–	48,000	–	–	–	–	–	48,000	Exchange.
37	265,584	290,600	31,378	30,394	9,877	11,430	306,839	332,424	Miscellaneous.
38	2,228,279	2,098,700	1,830,219	1,903,522	576,100	715,849	4,634,598	4,718,071	- - - Total.
									Famine Relief and Insurance:
39	40,695	600	–	–	–	–	40,695	600	Famine Relief.
40	589,000	200,000	–	–	–	–	589,000	200,000	Construction of Protective Railways.
41	186,807	111,300	–	–	–	–	186,807	111,300	Construction of Protective Irrigation Works.
42	683,498	–	–	–	–	–	683,498	–	Reduction of Debt.
43	1,500,000	311,900	–	–	–	–	1,500,000	311,900	- - - Total.
44	27,997,198	26,613,000	5,179,751	5,324,958	1,630,438	2,002,533	34,807,387	33,940,491	- - - Carried forward to page 15.

* The "Interest on Debt" is distributed as follows:—

663,650	381,700	2,428,948	2,596,975	764,563	976,633	3,857,161	3,955,308	Interest on Debt (other than that charged to Railways and Irrigation Works) as above.
2,181,875	2,413,000	366,155	586,049	115,255	212,871	2,663,285	3,191,920	Under Railway Revenue Account.
964,847	994,300	–	–	–	–	964,847	994,300	Under Irrigation.
3,810,372	3,789,000	2,795,103	3,183,024	879,818	1,189,504	7,485,293	8,143,528	- - - Total.

† *See* foot-note to Statement, No. 2, p. 7.

No. 3.—ACCOUNT showing the Estimated Expenditure (Imperial, Provincial, and Local) in each of the

[£. 1 is recorded for every 10 rupees, in respect of

HEADS OF EXPENDITURE.	INDIA, GENERAL.		CENTRAL PROVINCES.		BURMAH.		ASSAM.	
	1885-86.	1886-87.	1885-86.	1886-87.	1885-86.	1886-87.	1885-86.	
	£.	£.	£.	£.	£.	£.	£.	
Brought forward from page 8	5,020,107	5,153,000.	713,051	717,700	1,035,177	1,577,500	425,131	1
CONSTRUCTION OF RAILWAYS (charged against Revenue in addition to that under Famine Insurance).	–	–	–	–	–	–	30,179	2
RAILWAY REVENUE ACCOUNT:								
State Railways:								
Working Expenses	2,802,679	2,702,600	155,564	156,500	174,769	175,000	4,229	3
Interest on Debt	1,800,820	2,017,100	41,221	43,300	111,973	109,300	–	4
Annuities in Purchase of Railways	–	–	–	–	–	–	–	5
Interest on Capital deposited by Companies.	–	400	–	–	–	–	–	6
Guaranteed Companies:								
Surplus Profits, Land, and Supervision	410,651	542,700	50	100	–	–	–	7
Interest	49,767	11,000	–	–	–	–	–	8
Subsidized Companies:								
Land, &c.	–	300	–	–	–	–	10,044	9
Miscellaneous Railway Expenditure	39,887	30,600	–	–	84	–	22,814	10
TOTAL £.	5,103,804	5,304,700	196,835	199,900	286,826	284,300	37,087	11
IRRIGATION:								
Major Works:								
Working Expenses	–	–	–	–	–	–	–	12
Interest on Debt	486,558	507,400	–	–	–	–	–	13
Minor Works and Navigation	7,312	13,300	–	–	39,947	36,300	–	14
TOTAL £.	493,870	520,700	–	–	39,947	36,300	–	15
BUILDINGS AND ROADS:								
Military Works	636,578	712,300	14,714	15,400	47,672	124,600	16,789	16
Civil Works	153,509	269,300	152,187	178,000	164,456	279,200	124,011	17
TOTAL £.	790,087	981,600	166,901	193,400	212,128	403,800	140,800	18
ARMY SERVICES:								
Army:								
Effective	8,654,985	7,203,700	–	–	–	–	–	19
Non-effective	386,304	396,900	–	–	–	–	–	20
TOTAL £.	9,041,289	7,600,600	–	–	–	–	–	21
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL £.	20,449,157	19,560,600	1,076,787	1,111,000	1,574,078	2,301,900	633,197	22
Add,—Portion of Allotments to Provincial Governments not spent by them in the year.	3,135	–	33,141	–	–	2,100	24,863	23
Deduct,—Portion of Provincial Expenditure defrayed from Provincial Balances.	–	*—900*	–	*—159,500*	*—11,935*	–	–	24
TOTAL EXPENDITURE CHARGED AGAINST REVENUE £.	20,452,292	19,559,700	1,109,928	951,500	1,562,143	2,304,000	658,060	25
EXPENDITURE NOT CHARGED TO REVENUE:								
Capital Outlay on Railways and Irrigation Works:								
State Railways	*—85,741*	*—134,700*	57,191	160,900	70,058	131,900	–	26
Irrigation Works	–	7,000	–	–	–	–	–	27
£.	*—85,741*	*—127,700*	57,191	160,900	70,058	131,900	–	28
Special Defence Works £.	–	41,400	–	–	–	13,000	–	29
Capital Charge involved in Redemption of Liabilities £.	–	–	–	–	–	–	–	30

Provinces of *British India*, and in *England*, for 1886-87, compared with the Results of 1885-86—*concld.*
Transactions in *India*, including those of "Exchange."]

ASSAM.	BENGAL.		NORTH WESTERN PROVINCES and OUDH.		CARRIED FORWARD.		HEADS OF EXPENDITURE.
1886-87.	1885-86.	1886-87.	1885-86.	1886-87.	1885-86.	1886-87.	
£.	£.	£.	£.	£.	£.	£.	
398,800	7,141,034	6,300,800	3,155,211	2,995,200	17,489,711	17,143,000	Brought forward from page 9.
20,100	2,158	500	99,718	167,300	132,055	187,900	CONSTRUCTION OF RAILWAYS (charged against Revenue in addition to that from Famine Insurance).
							RAILWAY REVENUE ACCOUNT:
7,400	657,276	691,500	87,771	97,500	3,882,288	3,830,500	State Railways: Working Expenses.
–	190,731	206,300	17,310	17,100	2,162,055	2,393,100	Interest on Debt.
–	–	–	–	–	–	–	Annuities in Purchase of Railways.
–	–	–	–	–	–	400	Interest on Capital deposited by Companies.
–	1,741	11,000	20,620	13,600	433,062	567,400	Guaranteed Companies: Surplus Profits, Land, and Supervision.
–	–	–	–	–	49,767	11,000	Interest.
10,500	12,669	900	21,412	36,300	44,125	48,000	Subsidized Companies: Land, &c.
13,000	24,654	13,200	199	2,000	87,638	58,800	Miscellaneous Railway Expenditure.
30,900	887,071	922,900	147,312	166,500	6,658,935	6,909,200	- - - TOTAL.
							IRRIGATION:
–	115,342	138,500	212,002	225,500	327,344	364,000	Major Works: Working Expenses.
–	224,919	227,700	253,370	259,200	964,847	994,300	Interest on Debt.
–	160,464	157,900	21,442	27,100	229,165	234,600	Minor Works and Navigation.
–	500,725	524,100	486,814	511,800	1,521,356	1,592,900	- - - TOTAL.
							BUILDINGS AND ROADS:
17,900	2,370	6,000	7,940	11,100	726,063	887,300	Military Works.
169,800	719,756	802,000	572,761	582,500	1,886,680	2,280,800	Civil Works.
187,700	722,126	808,000	580,701	593,600	2,612,743	3,168,100	- - - TOTAL.
							ARMY SERVICES:
							Army:
–	–	–	–	–	8,654,985	7,203,700	Effective.
–	–	–	–	–	386,304	396,900	Non-effective.
–	–	–	–	–	9,041,289	7,600,600	- - - TOTAL.
637,500	9,253,114	8,556,300	4,469,756	4,434,400	37,456,089	36,601,700	TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL.
–	62,672	–	–	–	123,811	2,100	*Add*,—Portion of Allotments to Provincial Governments not spent by them in the year.
—36,700	–	*—82,200*	*—195,425*	*—189,900*	*—207,360*	*—419,200*	*Deduct*,—Portion of Provincial Expenditure defrayed from Provincial Revenues.
600,800	9,315,786	8,474,100	4,274,331	4,294,500	37,372,540	36,184,600	TOTAL EXPENDITURE CHARGED AGAINST REVENUE.
							EXPENDITURE NOT CHARGED TO REVENUE.
							Capital Outlay on Railways and Irrigation Works:
–	307,948	311,300	*—212,665*	*—17,800*	136,791	451,600	State Railways.
–	63,849	75,000	95,150	189,900	158,999	271,900	Irrigation Works.
–	371,797	386,300	*—117,515*	172,100	295,790	723,500	
–	–	–	–	–	–	54,400	Special Defence Works.
–	–	–	–	–	–	–	Capital Charge involved in the Creation of Liabilities

No. 3.—ACCOUNT showing the Estimated Expenditure (Imperial, Provincial, and Local) in each

[£.1 is recorded for every 10 rupees, in re

HEADS OF EXPENDITURE.	BROUGHT FORWARD.		PUNJAB.		MADRAS.		BOMB
	1885–86.	1886–87.	1885–86.	1886–87.	1885–86.	1886–87.	1885–86.
	£.	£.	£.	£.	£.	£.	£.
Brought forward from page 10 - - -	17,489,711	17,143,000	1,932,518	1,829,300	3,967,086	3,234,400	4,607,883
CONSTRUCTION OF RAILWAYS (charged against Revenue, in addition to that under Famine Insurance).	132,055	187,900	500,000	–	–	–	–
RAILWAY REVENUE ACCOUNT:							
State Railways:							
Working Expenses - - - - -	3,882,288	3,830,500	869,822	1,320,000	–	–	149,982
Interest on Debt - - - - -	2,162,055	2,393,100	19,820	19,900	–	–	–
Annuities in purchase of Railways -	–	–	–	–	–	–	–
Interest on Capital deposited by Companies.	–	400	–	–	–	–	289
Guaranteed Companies:							
Surplus Profits, Land, and Supervision	433,062	567,400	8,604	–	24,911	25,000	10,105
Interest - - - - - - -	49,767	11,000	–	–	–	–	–
Subsidized Companies:							
Land, &c. - - - - - - - -	44,125	48,000	–	–	–	–	–
Miscellaneous Railway Expenditure -	87,638	58,800	6,765	31,400	3,853	4,100	1,018
TOTAL - - - £.	6,658,935	6,909,200	905,011	1,371,300	28,764	29,100	161,394
IRRIGATION:							
Major Works:							
Working Expenses - - - - -	327,344	364,000	124,288	135,100	112,662	108,800	28,856
Interest on Debt - - - - -	964,847	994,300	–	–	–	–	–
Minor Works and Navigation - - -	229,165	234,600	54,949	80,000	303,928	276,900	157,118
TOTAL - - - £.	1,521,356	1,592,900	179,237	215,100	416,590	385,700	185,974
BUILDINGS AND ROADS:							
Military Works - - - - - -	726,063	887,300	18,284	26,500	44,501	62,300	171,567
Civil Works - - - - - - -	1,886,680	2,280,800	389,384	442,300	594,454	636,100	551,336
TOTAL - - - £.	2,612,743	3,168,100	407,668	468,800	638,955	698,400	722,903
ARMY SERVICES:							
Army:							
Effective - - - - - - -	8,654,985	7,203,700	–	–	3,066,417	3,588,000	2,692,888
Non-effective - - - - -	386,304	396,900	–	–	296,662	313,300	149,832
TOTAL - - - £.	9,041,289	7,600,600	–	–	3,363,079	3,901,300	2,842,720
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL - - - - - £.	37,456,089	36,601,700	3,924,434	3,884,500	8,414,474	8,248,900	8,520,874
Add,—Portion of Allotments to Provincial Governments not spent by them in the year.	123,811	2,100	35,101	–	212,774	52,700	359,556
Deduct,—Portion of Provincial Expenditure defrayed from Provincial Balances.	*—207,360*	*—419,200*	–	*—22,400*	–	–	–
TOTAL EXPENDITURE CHARGED AGAINST REVENUE - - - - £.	37,372,540	36,184,600	3,959,535	3,862,100	8,627,248	8,301,600	8,880,430
EXPENDITURE NOT CHARGED TO REVENUE:							
Capital Outlay on Railways and Irrigation Works:							
State Railways - - - - -	136,791	451,600	1,982,625	2,413,800	243,490	461,100	196
Irrigation Works - - - - -	158,999	271,900	207,147	197,800	142,949	128,500	44,771
£.	295,790	723,500	2,189,772	2,611,600	386,439	589,600	44,967
Special Defence Works - - £.	–	54,400	–	–	–	–	–
Capital Charge involved in Redemption of Liabilities - - - £.	–	–	–	–	–	–	–

Calcutta, Comptroller General's Office, 23 April 1887.
India Office, 6 June 1887.

itish India and in *England* for 1886-87, compared with the Results of 1885-86—*contd.*
, including those of "Exchange."]

	England.		Exchange.*		Grand Total.		Heads of Expenditure.
	1885-86.	1886-87.	1885-86.	1886-87.	1885-86.	1886-87.	
	£.	£.	£.	£.	£.	£.	
0	5,179,751	5,324,958	1,630,438	2,002,533	34,807,387	33,940,491	- - - Brought forward
0	–	–	–	–	632,055	187,900	Construction of Railways against Revenue [illegible] Famine Insurance [illegible]
							Railway Revenue Account:
0	–	–	–	–	4,902,092	5,278,000	State Railways: Working Expenses
0	366,155	566,049	115,255	212,871	2,663,285	3,191,920	Interest on Debt
0	1,324,031	1,677,760	416,767	630,925	1,740,798	2,308,625	Annuities in exchange for Railways
0	195,886	343,631	61,659	129,228	257,834	473,259	Interest on Capital expended on panies
0	–	–	–	–	476,682	607,000	Guaranteed Companies: Surplus profits, [illegible]
0	3,180,735	2,696,976	1,001,205	1,014,240	4,231,707	3,722,216	Interest
0	–	–	–	–	44,125	48,000	Subsidized Companies: Land, &c.
0	–	–	–	–	99,274	96,200	Miscellaneous Railway [illegible]
0	5,066,807	5,284,356	1,594,886	1,987,264	14,415,797	15,725,220	- - - Total
							Irrigation:
0	–	–	–	–	593,150	642,600	Major Works: Working Expenses
0	–	–	–	–	964,847	994,300	Interest on Debt
0	449	1,396	141	525	745,750	758,921	Minor Works and Navigation
0	449	1,396	141	525	2,303,747	2,395,821	- - - Total
							Buildings and Fortifications:
0	6,469	1,909	2,036	718	968,920	1,130,327	Military Works
0	71,877	86,396	22,625	32,491	3,516,356	4,211,087	Civil Works
0	78,346	88,305	24,661	33,209	4,485,276	5,341,414	- - - Total
							Army Services:
0	1,996,069	1,811,584	628,305	681,274	17,038,664	15,700,758	Army: Effective
0	1,693,311	1,777,565	533,006	668,481	3,059,115	3,306,846	Non-effective
0	3,689,380	3,589,149	1,161,311	1,349,755	20,097,779	19,007,604	- - - Total
0	14,014,733	14,288,164	4,411,437	5,373,286	76,742,041	76,598,450	Total Expenditure Imperial and Provincial
0	–	–	–	–	731,242	54,800	*Add*,—Portion of Provincial vincial Governments [illegible] them in the Year
0	–	–	–	–	—207,360	—632,100	*Deduct*,—Portion of Provincial penditure [illegible] Balances
0	14,014,733	14,288,164	4,411,437	5,373,286	77,265,923	76,021,150	Total Expenditure charged against Revenue.
							Expenditure not charged against Revenue:
0	1,787,175	1,321,074	562,551	496,810	4,712,828	5,146,184	Capital Outlay on Railways and Irrigation Works: State Railways
0	6,594	2,008	2,076	755	562,536	628,263	Irrigation Works
0	1,793,769	1,323,082	564,627	497,565	5,275,364	5,774,447	
0		123,445	–	46,424	–	300,169	Special Defence Works
							Capital Charges [illegible] of Liabilities

* For Statement see [illegible]

E. T. Atkinson, Offg. [illegible]
Jas. [illegible] Smith, Accountant-General.

ESTIMATE

OF

REVENUE AND EXPENDITURE

OF THE

GOVERNMENT OF INDIA,

For the Year 1886-87,

COMPARED WITH THE RESULTS OF 1885-86.

(*Presented pursuant to Act* 21 & 22 *Vict. c.* 106.)

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